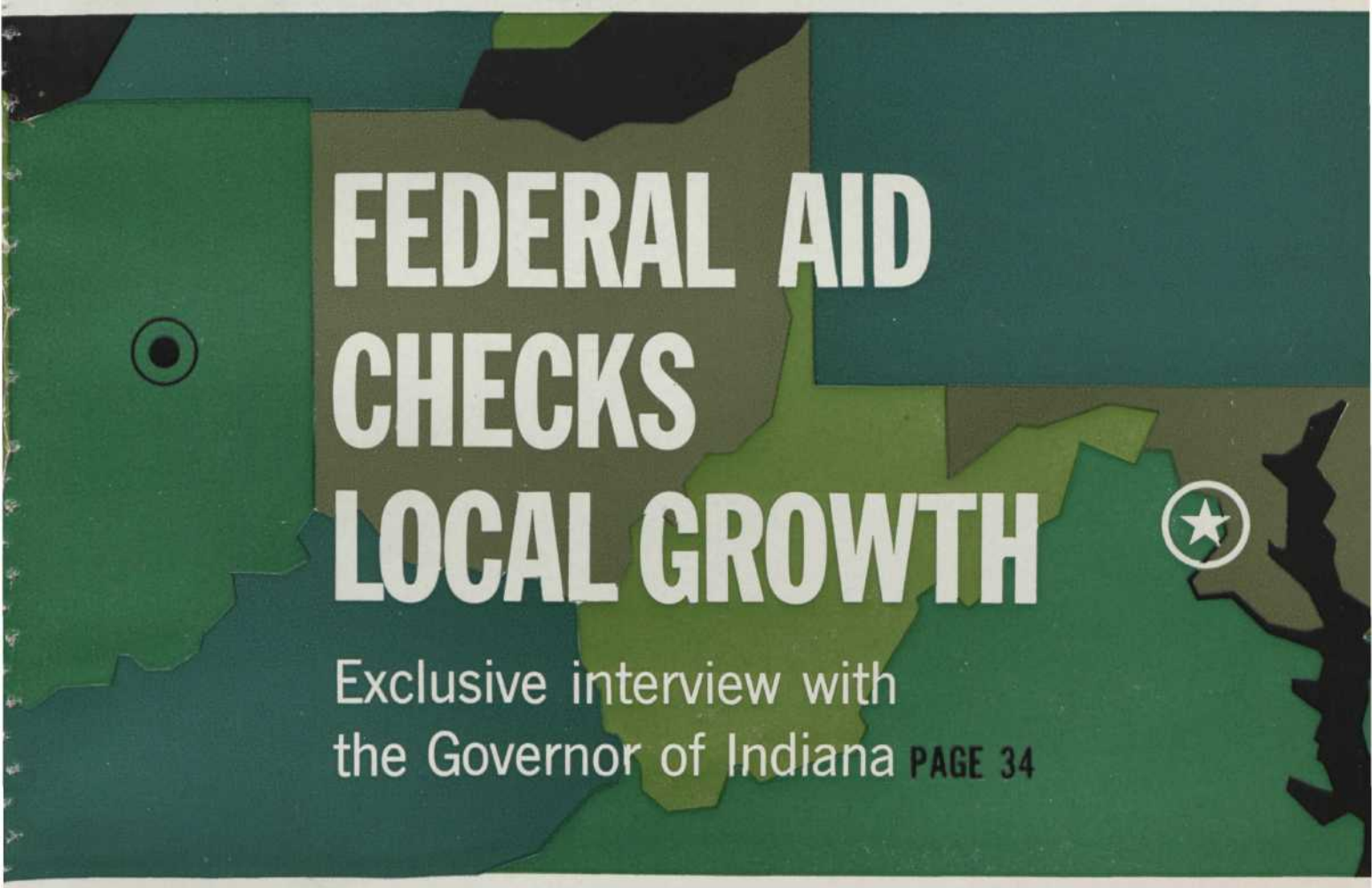
Nation's Business

A USEFUL LOOK AHEAD

MAY 1959



FEDERAL AID CHECKS LOCAL GROWTH

Exclusive interview with the Governor of Indiana PAGE 34

Gangster invasion of business grows PAGE 41

New role for executives PAGE 58

Jobs go begging despite unemployment PAGE 36

Why men fail PAGE 74



The Impala 2-Door Sport Coupe with Body by Fisher.

CHEVROLET

As fine a car as anyone (including wealthy people) could want

Lots of style here. Lots of room. Really remarkable riding comfort. And power to please your preference — with the industry's widest choice of engines and transmissions to choose from. Plus those special Chevy virtues of economy and dependability. Naturally, this leads more and more owners of other makes — high as well as low priced — to trade for new Chevrolets.

Your Chevrolet dealer will be glad to show you these special Chevrolet advantages:

Slimline design—style that's fresh, fine and fashionable.

Roomier Body by Fisher—new in everything but its famous soundness.

Magic-Mirror finish—shines without waxing for up to three years.

Sweeping windshield—and bigger windows—all of Safety *Plate* Glass.

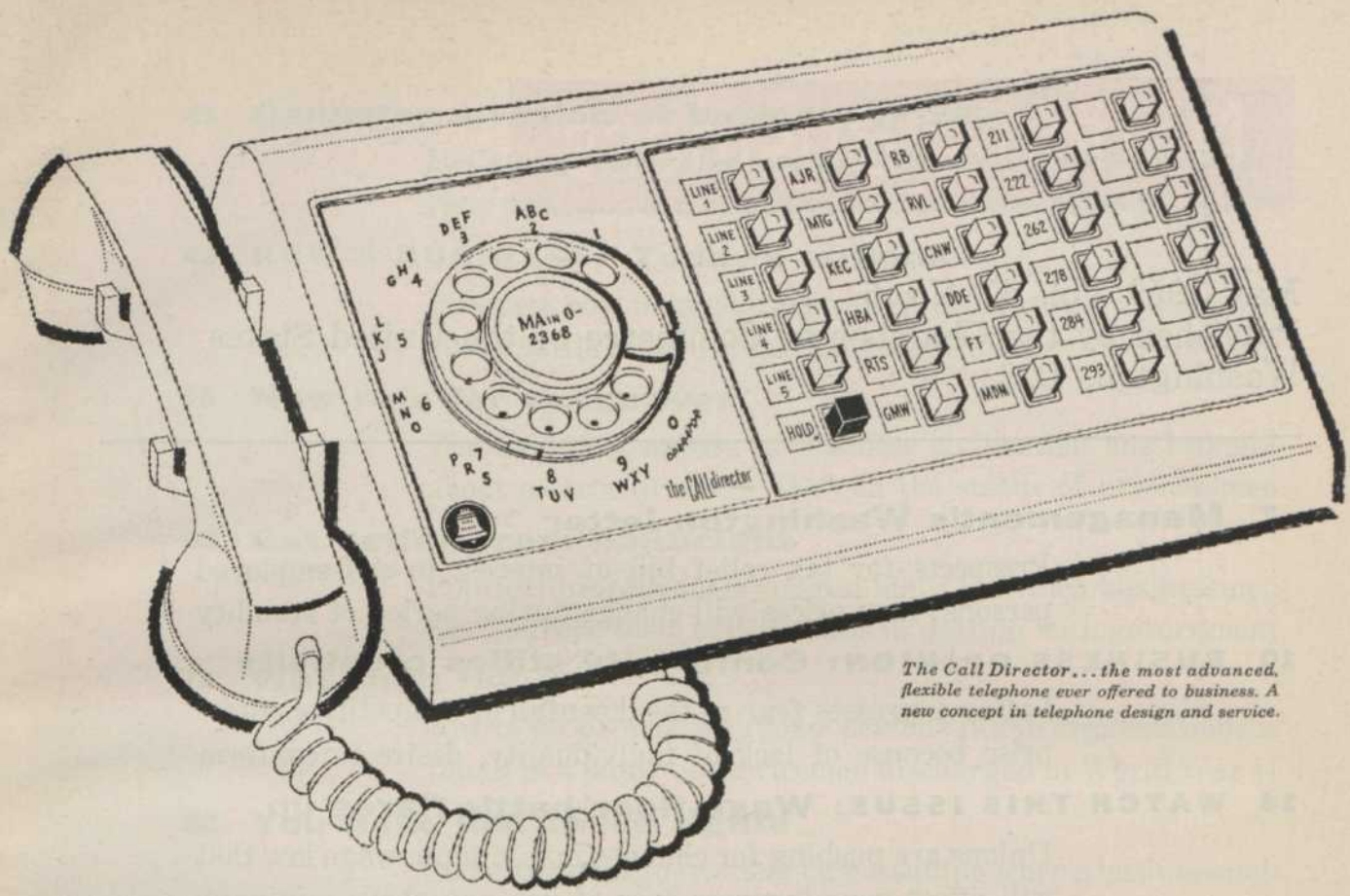
New, bigger brakes with better cooling for safer stopping.

Hi-Thrift 6—up to 10% more miles per gallon and finer performance.

The car that's wanted for all its worth!

CHEVROLET

Chevrolet Division of General Motors, Detroit 2, Michigan



The Call Director... the most advanced, flexible telephone ever offered to business. A new concept in telephone design and service.

Q. What's Western Electric's big job in the Bell Telephone System?

A. Since 1882 we've been providing ever-improving telephones and telephone equipment... that's our main job as the manufacturing and supply unit of the Bell System.

Western Electric

MANUFACTURING AND SUPPLY UNIT OF THE BELL SYSTEM

Nation's Business

May 1959 Vol. 47 No. 5
Published by the Chamber of Commerce of the United States
Washington, D.C.

7 **Management's Washington letter**

Prospects for tax relief bill of interest to self-employed persons; how prices will change during period of stability

10 **BUSINESS OPINION: Conformity stifles creativity**

Letter expresses fear of the downfall of competitive enterprise because of lack of individuality, desire to conform

14 **WATCH THIS ISSUE: Wage-floor battle flares up**

Unions are pushing for changes in minimum wage law that will affect your business even if you pay above minimum

23 **TRENDS: The state of the nation**

If we are to impress upon the Russians our willingness to fight for freedom, we must be able to agree on what it is

27 **TRENDS: Washington mood**

President Eisenhower feels present danger is not war over Berlin but overoptimism about results of talks at summit

31 **Your stake in steel wages**

Results of coming labor negotiations will affect costs and other factors in your business. Here are points to watch

34 **Federal aid checks local growth**

Indiana's governor rejects idea that federal interference stimulates community determination to solve area problems

36 **Jobs go begging despite unemployment**

Nation's Business survey of key employment areas points up need for upgrading workers; puts jobless picture in focus

38 **Chamber president emphasizes freedom's gains**

As head of the U. S. Chamber, Erwin D. Canham will stress business' contributions in all aspects of human progress

41 Gangster invasion of business grows

McClellan Committee counsel tells in an exclusive interview what you can do and what Committee plans for future

42 HOW'S BUSINESS? Today's outlook

Products now in laboratory will change housing industry in 1960; battle of budget gets moving; U. S. exports show drop

58 New role for executives

The changing nature of business civilization has brought about a most dramatic shift in the status of businessmen

68 Get action from politicians

Political professionals suggest steps by which businessmen can increase their effectiveness in dealing with government

74 Why men fail

Key to problem of why some persons fail in organizations is found in a study of servicemen discharged in World War II

82 You have lost these rights

Constitutional guarantees lack meaning when a businessman is summoned to an inquisition by an administrative agency

90 Match leaders to followers

New practical approach to proper meshing of personalities in a business situation produces more effective teamwork

102 EXECUTIVE TRENDS: Ways to ease your writing load

Authority on business report-writing offers useful ideas to make the job less a chore; new look at sales management

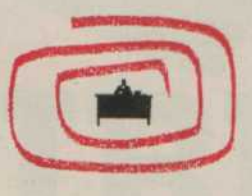
104 Give employes a goal to reach

Management, to get best results, must make its executives accountable for specific accomplishments in the total effort

116 Incentives, not subsidies, meet human needs

Time has come to consider whether we force individuals to accept government help or encourage them to self-reliance

Nation's Business is published monthly at 1615 H St. N.W., Washington 6, D.C. Subscription price $18 for three years. Printed in U.S.A. Second class postage paid at Washington, D. C., and at additional mailing offices. *Copyright, 1959, by Nation's Business—the Chamber of Commerce of the United States.* Nation's Business is available by subscription only.



Editor
Alden H. Sypher

Adm. Assistant
Ruth D. Howard

Executive Editor
Paul McCrea

Associate Editors
Paul Hencke
Kenneth W. Medley
Joseph M. Gambatese
Tait Trussell
Joseph L.S. Terrell
Theodore D. Drury, Jr.

Art Director
Ralph Patterson

Adm. Assistant
Mary W. Davis

Associates
Asdur Takakjian
Charles Dunn
Thomas S. Huestis

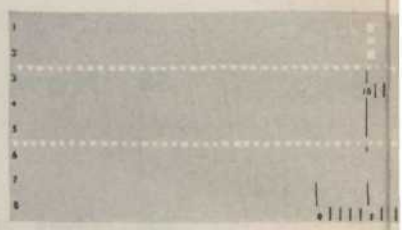
Production Manager
W. Lee Hammer

Business Manager
William W. Owens

Advertising Director
Herman C. Sturm

Circulation Manager
John C. Loest

This plastic tape is the key to the flexible efficiency and simplicity of the IBM 632. Inserted in back of the typewriter, the tape automatically instructs the machine to perform the desired operation, reducing clerical error by eliminating virtually all manual instructions. For a different application, the tape can be changed in seconds. So simple is the 632 to operate that any typist can learn to use it in a few minutes.



typing and calculating in one economical unit –





and any typist can operate it





Punched Card Output, too! *As an optional feature, the IBM 632 can simultaneously prepare punched cards for use in further machine processing . . . such as sales analysis, inventory control, accounts receivable, and many other accounting reports.*

Here's the compact, cost-cutting answer to your office operations, such as billing, that require both typing and calculating—IBM's 632 Electronic Typing Calculator. • The IBM 632 adds, subtracts, multiplies, carries totals, computes taxes, subtracts discounts, inserts decimal points, stores information in its magnetic core "memory," and types out results —all automatically. • Yet the IBM 632 is so simple to operate that any typist can learn to use it in minutes! And for use with more extensive data processing equipment, Punched Card Output is offered as an optional feature. • For more information, call your local IBM representative today.

IBM®

ELECTRIC TYPEWRITER DIVISION

THE IBM 632 ELECTRONIC TYPING CALCULATOR

Thriving West Coast firm decides to open its second Puerto Rico plant

Frank Booth, President of Interstate Engineering Corporation, says that "any manufacturer who needs a plant site owes it to himself to take a good, long look at Puerto Rico."

INTERSTATE has been operating a highly successful subsidiary in Puerto Rico since 1954.

Its Puerto Rican plant makes the Polish-Aire, a floor polisher sold on the mainland for use with Interstate's home vacuum cleaner, the Compact.

Immediate profits

Now Interstate has decided to open a second factory in Puerto Rico, to increase its production of its new Magic Disc Carpet Sweeper.



Polish-Aire is a double-brush floor polisher. It is made by Interstate Engineering Corporation de Puerto Rico.



Frank Booth is President of Interstate Engineering Corporation of Anaheim, California. Its products include precision parts for aircraft and for missiles.

The decision was an easy one to make. Interstate's first Puerto Rican operation was making profits within a month of its opening. And management expects that net income in fiscal 1959 will more than *triple* the 1958 earnings.

Skillful workers

Interstate's early profits in Puerto Rico speak volumes for the efficiency and skill of the Puerto Rican workers.

"Puerto Ricans learn quickly," says Mr. Booth, "and our employees are as painstaking and as productive as our workers on the mainland. Our staff is almost entirely Puerto Rican—and that includes foremen and supervisors. Puerto Ricans do all our die-casting, as well as our assembly work."

Tax relief and balmy weather

Mr. Booth has several other things to say about Puerto Rico as a plant site:

"The Commonwealth's tax exemption plan is a wonderful incentive. But it is not essential to success in Puerto Rico. Interstate Engineering Corporation plans to stay on after the ten-year tax holiday is over."

"Puerto Rico's best advertisement is the hundreds of successful manufacturers who are already down there."

"The climate in Puerto Rico amazed me. It never gets cold, and there isn't any rainy season. You practically live outdoors. You can swim at night all year round."

When it comes to weather, bear in mind that Mr. Booth has high standards. He speaks as a Californian.

SIX REASONS TO LOCATE A PLANT IN PUERTO RICO

1. High profits. The average profits after taxes of over four hundred U.S. factories in Puerto Rico are more than *double* the mainland average.

2. Ten-year income tax holiday. Puerto Rico is a self-governing Commonwealth within the American Union. It has no vote in the United States Congress. Consequently, in accordance with the principle of "no taxation without representation," Federal taxes do not apply. That is why Puerto Rico is able to grant one hundred per cent tax exemption for ten years to new industry. Only genuinely *new* or *expanding* operations qualify—never runaway plants.

3. Political stability. Property and investments are protected by the Constitutions of *both* the United States and Puerto Rico.

4. Excise tax exemption. Manufacturers receive a *permanent* exemption on all raw materials, machinery and equipment essential to the actual manufacturing process.

5. Abundant, skillful labor. There are 637,000 workers in Puerto Rico. Thirteen per cent are unemployed.

6. No currency or customs problems. The dollar is currency. No passports needed. Money, people and goods move to and from the U. S. without red tape or tariffs.

For further information about Puerto Rico, write Commonwealth of Puerto Rico, Economic Development Administration, Dept. NB-92, 666 Fifth Avenue, New York 19, N. Y.

▶GOVERNMENT SPENDING FORCES point up--way up--for the long run.

Some think the President is fighting a losing holding battle, that he will ultimately lose out to big spenders.

Fact that he's holding, however, will help short-circuit runaway spending in years to come.

This view comes from high government official who says:

"If spending lid isn't held in place, you can expect proposals for higher taxes to come.

"Then you've got a choice.

"Either hold federal expenditures to a noninflationary level, or pay the price for what you want."

▶SURPRISE ACTION at last minute could avert steel strike.

Watch for Union Boss Dave McDonald to suggest working on without contract while settlement is thrashed out.

If settlement isn't reached, then strike could come later--when inventory is whittled down, when new orders are coming in, when strike would hurt more.

Steel outcome will have bearing on your costs, prices, profits, sources of supply, other business factors.

How? See page 31.

▶FINANCIAL SCHEMES worry specialists.

Example:

Borrower gets up to 90 per cent loan from nonbank lender for purchase of high-grade bonds.

Without notifying the lender, borrower sells bonds, uses money to buy stocks.

Then, following hot tip on speculative real estate deal, borrower sells stocks for money to buy land.

Switch from good-risk bonds to high-risk land speculation places loan in jeopardy.

Here's how this kind of deal affects your business:

Men you borrow from will become more cautious, make closer check on what you do with borrowed funds, ask probing questions about how you operate, require higher interest in many cases.

Note this:

Most banks will lend 60 to 65 per cent on high-grade bonds, keep bonds in bank safe for you.

You can't legally borrow more than 10 per cent (currently) for stock purchase.

On speculative land development--potential bubble-bursting type--money's hard to find any place at any price.

That's one reason some borrowers rely on above-mentioned scheme to get funds.

And it's one reason the interest you pay is a little higher.

▶THERE'S A CHANCE Congress will vote less money for fiscal '60 than President asked for in his January budget message.

You can credit congressional fear of getting blamed for inflationary spending.

Strategy being talked about in Capitol cloakrooms is this:

Avoid inflation blame by approving fewer dollars than President asked for.

Then vote program expansions, approve bigger constituent-interest expenditures next year--for fiscal 1961.

Some lawmakers see political advantage.

Higher flow of vote-getting cash from Treasury will be reaching congressional districts just about the time office seekers will be in full campaign swing.

▶TAX RELIEF PROPOSAL that would benefit many businessmen is due for rough going before passage.

Proposal would:

Let self-employed businessmen, doctors, lawyers, others working for themselves, defer paying income taxes on money put aside in retirement plans.

Formula allows maximum set-aside of $2,500 a year, with lifetime maximum of $50,000.

Measure has House approval, now has two big hurdles to cross.

They are Senate action and presidential approval.

Will the Senate approve?

Maybe--but don't count on it.

Senate Finance Committee will hold hearings but Chairman Harry F. Byrd and other members will oppose idea as selective tax relief.

About 80 per cent of those who would benefit are in $10,000 a year and higher income bracket.

Will President approve if the Senate does pass the measure?

Insiders say he probably would veto it. For one thing it would reduce federal

revenue by about $365 million the first year.

President Eisenhower looks with alarm on almost anything that would unbalance the 1960 budget.

That goes for any measure that would reduce revenue just as it goes for any new programs or spending boosts.

▶SOMETHING THAT WORRIES a growing number of Americans is the growth of round-trip tax money.

That's taxes collected by Uncle Sam and redistributed for state and local purposes.

Total is one of the fastest-growing items in the federal budget.

Record shows:

$2.7 billion in '54.
$4.1 billion in '57.
$6.7 billion in '59.
$7.1 billion estimated for next year.

Question is:

Does this expenditure really help solve state and local problems?

View of Indiana's Gov. Harold W. Handley is that it does not.

Is federal government interfering with states' ability to provide their own services?

"Definitely," Governor Handley says.

What's ahead 10 to 15 years in state vs. central government power?

Will states become political subdivisions of the federal government?

What are the principal threats from centralism in government?

The governor's answers on page 34.

▶WHAT'S HAPPENING to Michigan finances affects business.

Here's how--shown by new survey:

Industrial construction contracts during 3-year period (1956-58) in Michigan average $31 for each resident.

In neighboring Indiana the outlay is $211 per capita.

Indiana's Governor Handley explains:

"Today's new industries don't pay yesterday's bills. Our tax structure isn't punitive as far as industry is concerned."

▶INFLATION YARDSTICK--consumer price index--will be revised.

Government plans to spend about $4.6 million to bring index up to date.

Study will show how family spending habits are changing.

This much is known:

Families are spending more of their incomes for houses, gardens, travel, automobiles, television, medical care, frozen foods.

Less goes for entertaining outside the home, clothing, total food bill.

Index was last revised in 1953, still uses 1947-49 as base period.

▶WAGES ARE AFFECTED by price changes measured by consumer price index.

About 4 million workers are employed by companies with union contracts which have cost-of-living escalator clauses.

Each time the index rises one point approximately $200 million is added to annual wage costs.

▶JOBS GO BEGGING even in areas where unemployment is high.

Survey made exclusively for NATION'S BUSINESS shows:

Shortage of worker skills is important factor in unemployment.

One state employment official told survey team:

"Number of jobless will go down in the months ahead. Currently, business and industry are trying to pick and choose good workers.

"But just about all the good workers already have jobs.

"Pretty soon the companies will get around to hiring warm bodies--that is, anybody at all who can fill a job and punch a time clock."

▶HIGH UNION OFFICIAL expresses alarm over skills shortage.

He is A. J. Hayes, head of International Association of Machinists, also member of AFL-CIO Executive Council.

"...In addition to the fact," he says, "that we do not have enough skilled workers to meet present requirements of industry, we appear to be going backward instead of forward.

"...There are about 9 million skilled workers in the U. S.

"...But 250,000 of these die, retire, or otherwise leave the labor force every year and we are replacing only 100,000 of them through apprenticeships, on-the-job training, and immigration.

"This means that we are currently running up a skilled manpower deficit of 150,000 workers a year.

"We keep going only by patching and mending with semiskilled workers."

▶AN EMPLOYMENT AGENCY man in the Midwest told NATION'S BUSINESS:

"It seems clear that unemployment will continue to plague our economy until more workers realize that their hope of job security in the future lies in acquiring needed skills."

▶INDUSTRY WILL HIRE more college grads this year than last, will pay higher starting salaries.

That's finding of a survey of 205 companies which will seek:

13 per cent more engineers.

19 per cent more nontechnical graduates than last year.

Pay average for college men is going up about 2 per cent.

▶BERLIN CRISIS speeds rush of East Germans out of communist territory.

Average of 350 East Germans a day are crossing the border to freedom.

Defecting to West Germany was made crime of treason about a year and a half ago.

Flow of refugees slowed up a little during 1958.

Washington thinks new speedup is about to come, probably this summer.

Note: Soviet German population was 19 million in 1948. It's 17 million now.

▶STOCK MARKET specialists look with alarm at something they've helped bring about.

Story goes like this:

Specialists encourage Americans to invest in good stocks, bonds.

But many Americans prefer cheaper stocks, figure they're better off to own 10 shares at $8 each than to own one share at $80.

Survey shows more than a third of the investors with lower-priced stocks are newcomers.

Specialists believe this drives some prices out of line, wonder how they can get across idea that best buys aren't necessarily lower-priced stocks.

Probable action to come:

Stepup of efforts to teach public how stock market works, what to look for in selecting good stock buys.

▶KIND OF ECONOMIC GROWTH you're seeing now you can expect to continue for early months ahead.

After that?

Rate of growth promises to step up a little by year end.

▶HERE'S A CLOSER LOOK at coming trends:

First quarter '59--Total production at annual rate of about $465 billion.

Second quarter--Expansion continues, annual rate probably will climb to $475 billion.

Third quarter--Looks plateauish, reason tied to steel production.

Steel strike will make indicators look weak.

If there isn't a strike, indicators are likely to look weak anyway as industry uses up inventory being accumulated now in anticipation of a steel shutdown.

Fourth quarter--New growth surge will come, boosting gross national product to peak level.

It'll probably reach $485 billion annual rate, rise above the $500 billion rate during first quarter 1960.

For contrast:

Last year's total was $437.7 billion.

▶WHAT YOU'RE HEARING about prices may sound as if no changes are coming.

But they are.

Running like an engine, some pistons push up as others head down.

Here's a look ahead at forces working on the consumer price index:

Food prices are going lower by fall. Most of the drop is expected to come in lower meat prices.

But some of the other price index components (such as many services) will go up.

Ups and downs will offset each other for early months ahead.

Result will be what looks like price stability.

What price trend specialists in Washington see further ahead, however, is this prospect:

When food price drop hits bottom, up will go prices, index and all.

before
TYPE-ERASE



after
TYPE-ERASE



why type letters over—when
EAGLE-A
TYPE-ERASE PAPER
makes it easy to correct typing errors!

Eagle-A Type-Erase paper practically puts your secretary's waste paper basket out of business! With this easy-to-erase paper, there's no need to retype letters because of messy erasures. When typing errors occur, any typist can make fast, clean erasures on Type-Erase paper *with a pencil eraser . . .* and her typed corrections will be impossible to detect. Ask your stationer or printer for this economical, 25% cotton fiber paper in bond and onion skin weights. Comes in letter and legal sizes in the Eagle-A "Hinge-Top" box . . . and in larger sizes for printing.



For free test packet, write to American Writing Paper Corporation, Holyoke, Mass. *Eagle-A Boxed Typewriter Papers are also available in a choice of cotton fiber or sulphite bonds, manifolds, onion skins and manuscript covers.*

Business opinion:

Conformist atmosphere stifles creativity

IN YOUR PAST issues I have read what research agencies desire in executive talent. I have read of executive tests, of "brain busters" in other magazines. However, your article on "Wanted Now: These Executive Traits" really showed the truth. I am now convinced that these so-called research experts are becoming a major contributing factor in the downfall of competitive enterprise . . . which is resulting in chaos to our recognized American way of life.

I doubt that there exists such a thing as a "Creative Conformist." To conform is to destroy that certain something which makes a work outstanding.

It is feasible, beyond a doubt, that Benjamin Franklin would today be called a "crackpot" and a "failure." George Washington would be an arrogant, wealthy "fop" unable to adjust within society and remain flexible to changing times. Abraham Lincoln would probably be coerced into medical treatment at a mental institution due to his constant, deep melancholia which characterized his fabulous career.

Conformity, the life of today, means conforming to the common herd . . . which gears everyone to the slowest member of the group. This cannot, in any circumstance, be conducive to leadership.

Your article states that the executive must "be flexible." Flexible in what? In his thinking, yes! In his principles and morals, no! Flexibility in thinking is not consistent with conformity.

Your article refers to the vision of the executive. This is necessary for "insight and judgment for the future." Vision for the future pays off by taking proper action now. The conformist executive will be unable to make and take steps, new approaches and new tact necessary to secure greater profits for tomorrow. Because, after all, changing progress would be in conflict to the habits of operation of such a conformist organization.

Teamwork is an admirable thing. It can achieve great success. However, with little individualism allowed, you can not only get a smooth team, but a team so democratic that it cannot function at all. There must be leadership. And leadership promotes individualism, which is in opposition to conformity.

A person can still be a "well adjusted courteous executive," but an individualist just the same. He thinks, then executes; has no restrictive barriers set up by a conforming group. Remember: No conforming group has ever wrought lasting changes in this world. They did not, because they could not, create something challenging. They ultimately bring about the restrictive practices that culminate in their own downfall.

C. B. PONTIUS
American National Insurance Co.
Charleston, S. C.

Farm figures

In the March issue, under "Management's Washington Letter," you make the following statement:

"For each dollar that farmers took in five years ago, Department of Agriculture spent 20 cents. Now federal farm programs cost 53 cents for each dollar farmers receive."

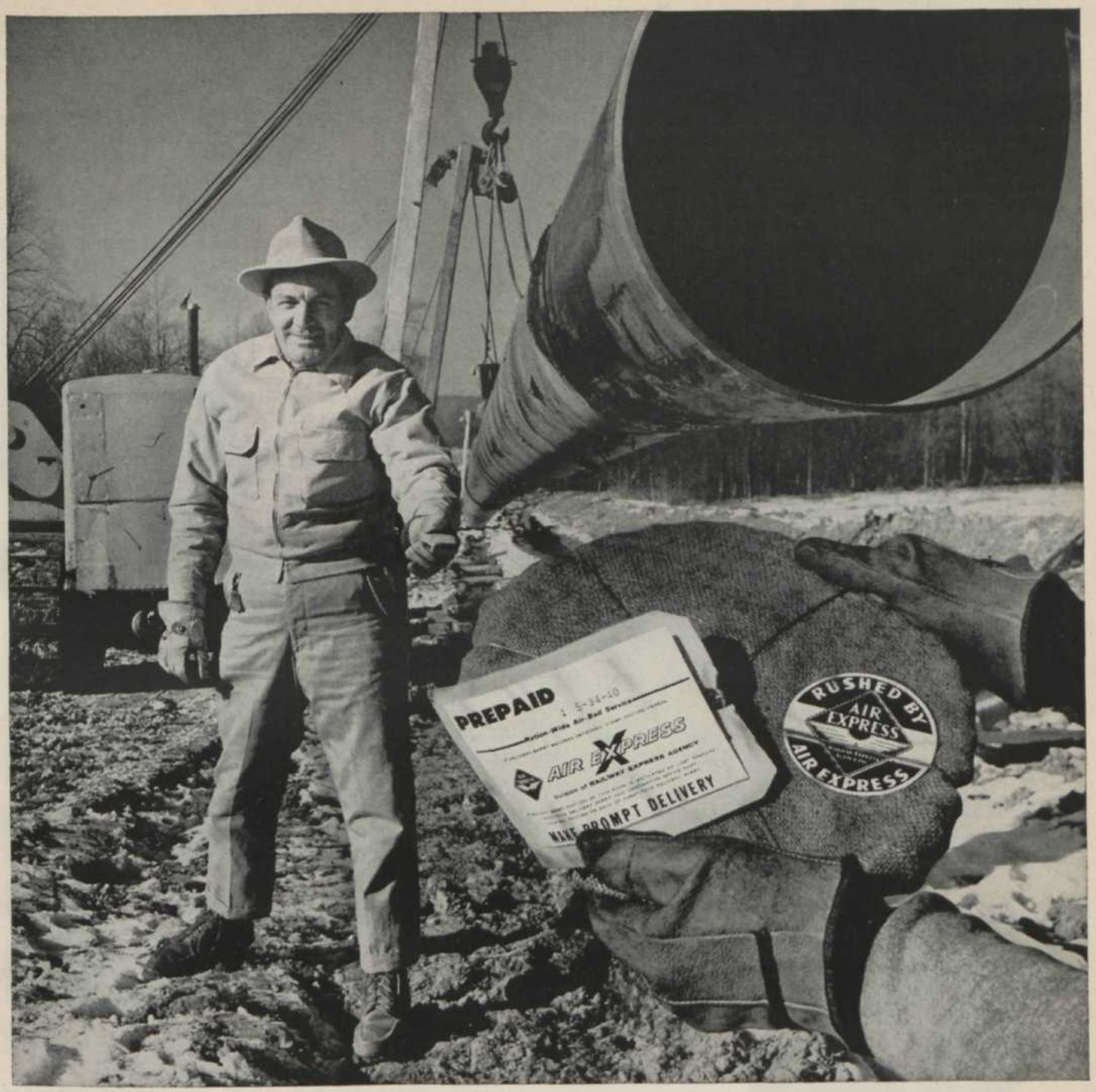
This I find hard to believe.

JOHN W. OMTA
Boyd, Olofson & Co.
Sunnyside, Washington

▶*The total federal cost for agriculture and agricultural resources in calendar 1954 was a little more than $2.7 billion. Net farm income was $13.9 billion. For the current year, farm programs will cost about $6.8 billion. Net farm income was estimated at approximately $12.8 billion.*

Seeks spending substitute

The article "The State of the Nation" in April appears to omit some of the history of the "Economic Bill of Rights" to which reference is made. If experience and memory serve me correctly, these were the promises in answer to the hopes and aspirations of millions of people whose sacrifices were worthy of dynamic accomplishment. One wonders where Mr. Morley was that he should so lightly refer to them as the basis of "our present carnival of government spending." There were



Pipeline to new savings . . . low cost Air Express

CHECK YOUR AIR EXPRESS SAVINGS
over any other complete air service

Wgt.	City to City...Door to Door	Miles	Cost	You Save
10 lbs.	NEW YORK to MOBILE	1,063	$5.38	$1.13 to 8.00
15 lbs.	DENVER to DALLAS	656	5.15	1.40 to 7.40
20 lbs.	CINCINNATI to BALTIMORE	521	4.92	2.53 to 6.38
25 lbs.	ATLANTA to GALLUP, N. M.	1,421	12.85	2.70 to 9.43

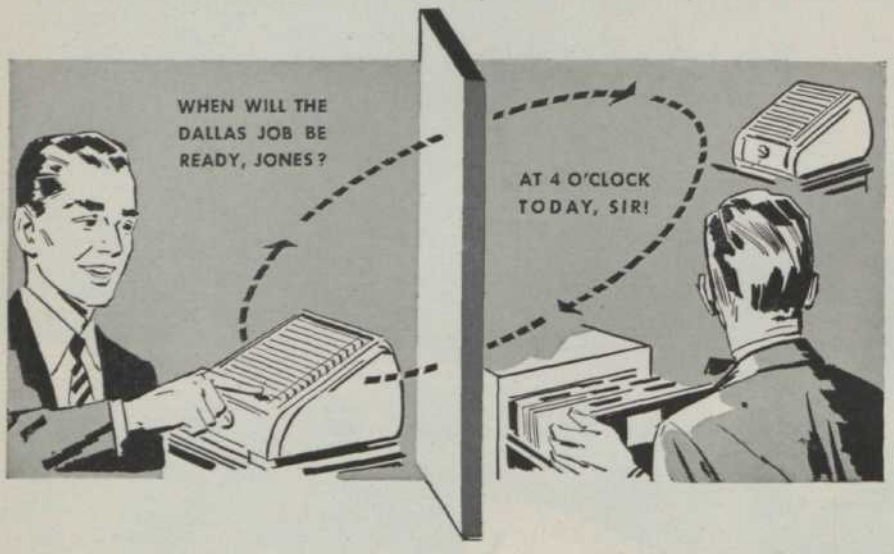
A gas pipeline costs $125,000 an average *mile* to build. It snakes through as many as 14 states. And vital parts must be delivered all along the line. Delays can cost thousands of dollars. So builders turn to Air Express for on time delivery—and open a "pipeline" to *new savings* with low Air Express rates! . . . See the chart on left for *your* savings.

AIR EXPRESS

GETS THERE FIRST** via **U. S. SCHEDULED AIRLINES

CALL AIR EXPRESS ... division of **RAILWAY EXPRESS AGENCY**

How to get more working minutes per hour!



There's no need for personnel to waste valuable time walking back and forth for information and instructions. With Executone Intercom they just push a button and talk—*instantly!*

Walking time becomes *working* time. Telephone lines are kept open for outside calls; roving employees are located *immediately!* Production is increased, costs are cut.

Installations in every type of business and organization *prove* that Executone *pays for itself many times over!*



PLUS "BUILT-IN" COURTESY!

Executone protects your privacy, never interrupts. Its Chime-Matic® signalling announces calls by soft chime and signal light! Mail coupon below and find out how *courteous* Executone pays for itself in more *working* minutes per hour!

Don't Walk...Talk!

Executone
INTERCOM AND SOUND SYSTEMS

ACT NOW!

EXECUTONE, Inc., Dept. Z-3, 415 Lexington Ave., New York 17, N. Y.
It sounds interesting. Send me the following— at no cost or obligation:

- ☐ "Talk Lines"—Case history magazine

Information on:
- ☐ Switchboard Relief
- ☐ Inter-Office & Plant Communication
- ☐ Locating Personnel
- ☐ High Noise Level Coverage

Name_____
Firm_____
Address_____
City_____

In Canada—331 Bartlett Ave., Toronto

people then, as now, who wondered why the wastes of war could not be channeled into the use of peace.

Marcus Nadler also seems to be concerned about government spending (what thinking person isn't) but there seems to be a vacancy in regard to a substitute. The question of unemployment is glossed over rather lightly. One must pause with reflection to consider that today's events may be the result of yesterday's actions.

It might also be observed that "free enterprise" as it has become known, has failed fully and directly to employ the labor market with productive work since the great depression of the '30's (even though they have participated in and paid for a good share of the employment provided by the government) except in war, or in preparation for war.

If the alternative to unemployment is the waste of war, possibly there are problems worthy of more consideration than the inflated dollar, orbiting the planets or even mechanical and administrative efficiency to the point where a small percentage of the people produce surpluses the majority cannot buy.

HERBERT C. SNYDER
Executive Director
Business Research & Service
Grand Junction, Colo.

Good leaders

I plan to use reprints of "Good Leaders Do These Things" from your March issue for discussion with my staff because I feel that the article presents an increasingly important management technique which they can use. I would like to say that your magazine frequently contains this type of timely and well presented material.

W. M. CARRITHERS
A. B. Dick Co.
Chicago 31, Ill.

Useful, timely

We provide many copies of NATION'S BUSINESS for administrators and executives in our organization. We continue to find many things that have specific application to various phases of our business.

C. F. MORAN
Divisional Supervisor
Fisher Body Division
General Motors Corp.
Detroit 2, Mich.

I would like to take this opportunity to tell you how much I enjoy NATION'S BUSINESS; not only are the articles most timely, but I feel they are extremely helpful to me in doing my job, as well as understanding the problems of others.

W. S. DOREMUS
Torrington Manufacturing Co.
Torrington, Conn.



Filing and finding is 25% faster... and easier, too... with GF's Super-Filer

Ever had to wait and wait while a secretary struggled to find something in a file? Ever wondered why filing takes so much of her time? Then you'll like the GF Super-Filer. With its exclusive swing front, it reduces time spent on filing and finding by 25%. And because it handles so much more payload, Super-Filer requires 33% less floor space. Super-Filer does nice things for a girl's morale, too—she knows you've made her job easier by giving her the finest file made.

To boost productivity in your offices call on GF—America's largest maker of metal business furniture. Only GF offers complete planning, design and decorator services that take into consideration, not just space utilization and work-flow, but the many human factors that make for efficiency.

An informative booklet, "PLAN TO PROFIT FROM YOUR OFFICE INVESTMENT", is yours for the asking. Just call your GF branch or dealer, or write The General Fireproofing Company, Department J-11, Youngstown 1, Ohio.

GF **GENERAL FIREPROOFING**

ITALIC, MODE-MAKER, GENERALAIRE, 1600 LINE DESKS • GOODFORM CHAIRS • SUPER-FILER • DRAFT-A-MATIC • SHELVING • PARTITIONS

METAL BUSINESS FURNITURE

PINKERTON GUARDS COST LESS THAN YOUR OWN



It's a fact that Pinkerton's Plant Security Service costs less than an in-plant guard recruited and administered by you. An important difference, because in these days of constantly shrinking profit margins, anything you do to cut your overhead is of lively interest to management and owners.

When Pinkerton's takes over, you no longer concern yourself with:



1. Recruiting and turnovers



2. Absences through illness or vacation



3. Pensions and hospitalization or other fringe benefits

4. Uniforms and equipment

There are half a dozen other ways in which we are able to effect real savings and at the same time provide a neatly uniformed guard force of expertly supervised, qualified men whose backgrounds are a matter of record for at least ten years back.

• • •

For a more complete description of our service, send for the Pinkerton brochure on Security—or request a security engineering survey of your needs. Fill in the coupon today.

Pinkerton's

SECURITY SERVICE

Forty-five offices from coast to coast

Pinkerton's National Detective Agency, Inc., 154 Nassau St., New York 38, N.Y.

Send ☐ brochure ☐ survey information

NAME_____

COMPANY_____

ADDRESS_____

CITY_____ ZONE___ STATE_____

NB2

WATCH THIS ISSUE

Wage-floor battle flares up

Business will feel impact if legislative proposals pass

BATTLE LINES are forming in the fight over raising the minimum wage, extending its coverage and lowering the work week to 35 hours.

Though the minimum wage issue has become a perennial and the 35-hour week drive is just beginning, their importance should not be overlooked. Passage of the measures proposed in Congress would have a marked effect on American businesses. Many would be hit immediately, and all would eventually feel the impact.

The principal bill under consideration, introduced by Democratic Sen. John F. Kennedy of Massachusetts, would boost the minimum hourly wage to $1.25 and bring approximately 7.5 million additional workers under federal wage and hour regulations. Rep. James Roosevelt (D-Calif.) has introduced a duplicate bill in the House.

More than 25 million employes are now covered by the Fair Labor Standards Act. Another 20 million are exempt. The Kennedy bill would increase coverage by 30 per cent, with about 4.5 million retail workers constituting the largest new group to be affected.

Federal wage and hour regulation is now limited to employes involved in interstate commerce. Coverage depends upon the work the employe does. In a particular company some employes may be covered and others excluded.

Under the Kennedy bill coverage would depend on the activities of the employer. All employes of a firm engaged in an "activity affecting commerce" and having annual gross sales of $50,000 or more would come under federal regulation unless specifically exempted. As defined by the bill, activities "affecting commerce" include "any activity in commerce, necessary to commerce, or competing with any activity in commerce."

Within this broad definition, the bill would expand the law to cover employes in seven specific business classifications:

1. Retail enterprises with annual gross sales of $500,000 or more or sales of $50,000 for resale or to customers in mining, manufacturing, transportation, commercial or communications businesses.

2. Service enterprises with annual gross sales of $500,000 or more or sales of at least $50,000 yearly to customers in mining, manufacturing, transportation, commercial or communications businesses.

3. Laundry or dry cleaning establishments with annual gross sales of at least $250,000 or sales to customers in mining, manufacturing, transportation, commercial or communications businesses totaling 15 per cent or more of annual gross sales.

4. Local transit systems.

5. Taxicab firms with annual gross business of $500,000 or more.

6. Construction and reconstruction companies with annual gross sales of $50,000 or more.

7. Any enterprise which has one or more employes engaged in, or producing goods for, interstate commerce and which has annual gross sales of at least $50,000.

Exempted are retail or service firms in which the only employes are parents, husband or wife or children of the owner.

The present requirement that



DOES YOU MORE GOOD IN MINUTES THAN YOU CAN DO YOURSELF IN HOURS



It's no longer necessary to twist, bend, strain and deplete your energy in order to keep yourself slender, active and youthful. And you can stop struggling with yourself and with manually operated devices. For there's nothing that can put you back into good physical shape faster, easier and safer than this amazing EXERCYCLE.

In less than 5 days, any normal adult, regardless of size, weight or sedentary condition, can, with the help of this wonderful automatic exerciser, simulate the fast, vigorous movement of the expert cyclist, runner, swimmer, rower or gymnast. Yes! In less than 5 days, you'll be doing exercises that will simply amaze you, and at a pace that will delight and astound you.

Send for FREE EXERCYCLE LITERATURE NOW and learn what tens of thousands of men and women know, that there is no form of vibrator, bath, massage, reducing or slenderizing technique that can take the place of ACTION OF THE MAIN BODY MUSCLES. Turn your spare moments into improving yourself physically and enjoy the many blessings that daily exercise can bring your way.

IMPROVES CIRCULATION

Doctors tell you that *increased action of the main body muscles* will instantly step up your circulation. If your circulation is sluggish, increasing the rate of flow through your arteries and veins will make you feel and stay more youthful and you'll look better. Where blood circulation is poor, EXERCYCLE helps the vital organs to function more efficiently, helps the processes of elimination and the removal of wastes. The normal heart, lungs, and brain all benefit from stepped up blood circulation.

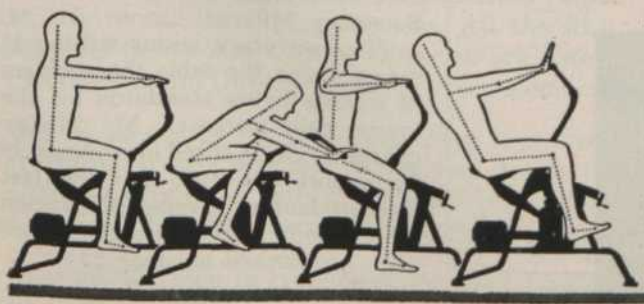


SMALL, SILENT AND ECONOMICAL!

EXERCYCLE *is so small, compact and silent most users keep it in their bedrooms. Fits into any small nook or corner. You can ride it while others sleep. Plugs into any wall socket. Uses less electricity than a TV set. Buy it on easy terms.*

Also distributed in Canada

Helps body muscles to become stronger, firmer and more flexible without manual effort on your part.



Relaxed or active exercises!

EXERCYCLE is fully adjustable to your present and future physiological needs. There's no limit to how easily or actively you can exercise with it. It builds you up gradually, allowing you to expand your activities as your muscles become stronger and more flexible, without ever exceeding your limitations.

WRITE TODAY!

EXERCYCLE CORPORATION
630 THIRD AVENUE
NEW YORK 17, N. Y.

NB-5

☐ Send me FREE literature and prices.
☐ I want a FREE home demonstration.

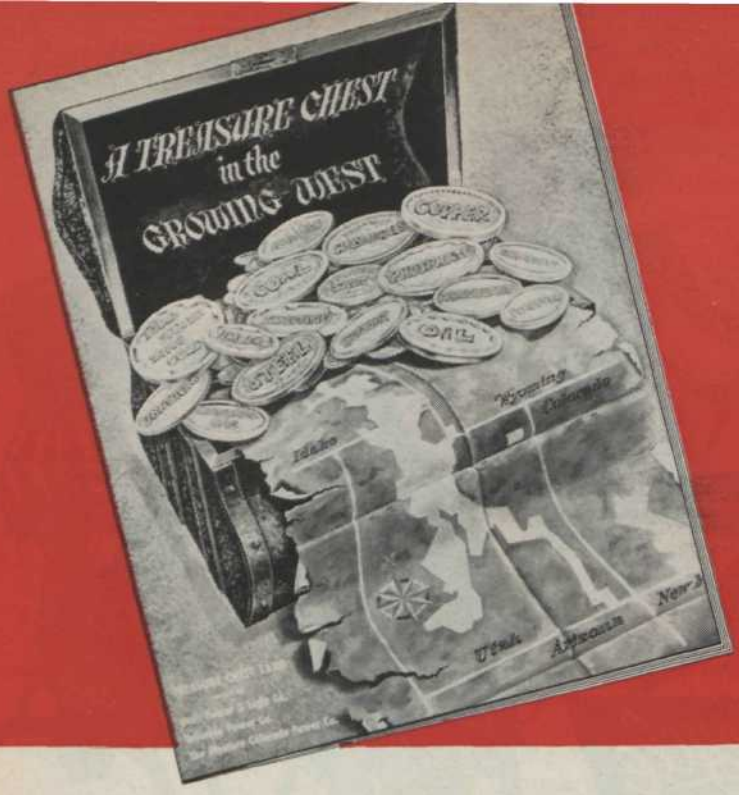
Mr.
Mrs.
Miss (PLEASE PRINT)

Address

City

Zone State

Telephone No.



A story of emerging wealth and opportunity

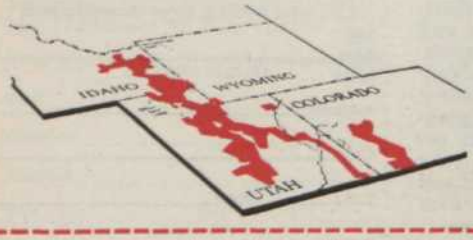
Factual information on the resources, activities and business potentials in Treasure Chest Land

This 28-page illustrated brochure is practically "must" reading for business and industrial management that plans to share in the march toward America's trillion-dollar economy.

It presents in detail the facts about the great untouched riches of the vast four-state area served by Utah Power & Light Co. and subsidiaries: Telluride Power Co., and The Western Colorado Power Co. It tells about the human factors — climate, living conditions, unlimited elbow room. It deals with fuel, water and power resources, transportation facilities, market growth. It lists nationally-known companies already active here.

The booklet is specific, concise, readable. You will find it interesting and helpful.

Write for a copy — "A Treasure Chest in the Growing West." Address W. A. Huckins, Dept. 79, Utah Power & Light Co., Salt Lake City 10, Utah. Inquiries held in strict confidence.



UTAH POWER & LIGHT CO.

A Growing Company in a Growing West

WAGE BATTLE

continued

workers be paid time and a half for all work over 40 hours a week would be retained by the Kennedy bill. Sen. Pat McNamara (D.-Mich.), however, has introduced a bill which would lower the work week to 35 hours.

The AFL-CIO has announced such a workweek reduction as one of its wage-hour goals, but it appears to be in the nature of a long-range objective and affirmative action on the question by Congress this year is believed unlikely.

Reaction to the proposed legislation is following three major routes:

Labor groups are applying strong pressure for passage.

Business people generally oppose both increase and extension of the minimum wage as well as reduction of the workweek.

Secretary of Labor James P. Mitchell has taken a middle-of-the-road position.

The Secretary has urged Congress to retain the present $1 minimum but to extend coverage to "several million" more workers.

"Another increase in the federal minimum for workers already covered would do more harm than good," the labor secretary states. He adds that "extension of coverage would be helpful to many workers and to the economy."

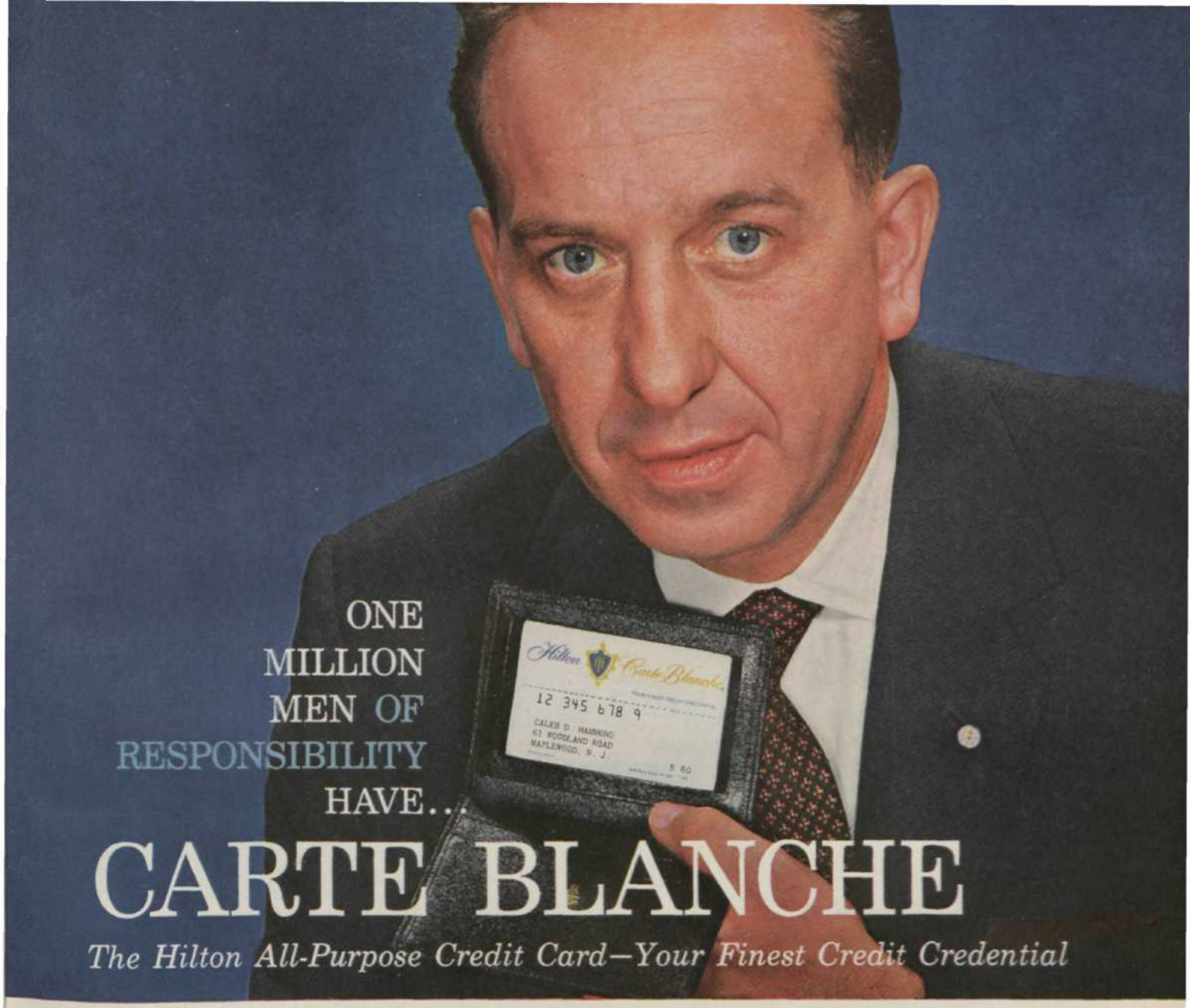
In support of his opposition to a minimum wage increase, Secretary Mitchell cites a report by his department's Wage and Hour Division on the $1 minimum which went into effect in March 1956. The report indicates, he says, that results of the last increase still are being felt in some industries and many workers are now paid the bare minimum.

"There is, therefore, strong evidence that the industries where these people are employed could not absorb another increase now without throwing some people out of work, cutting down on job opportunities or causing price increases," he says.

George Meany, president of AFL-CIO, has taken sharp issue with Secretary Mitchell.

"The secretary seems willing to sweep under the table the problem of raising living standards for the lowest paid workers," Mr. Meany charges. "Not a shred of evidence in his report indicates that the last increase had an adverse effect upon the economy." He adds that labor

(continued on page 21)



CARTE BLANCHE

The Hilton All-Purpose Credit Card—Your Finest Credit Credential

Caleb D. Hammond, president of C. S. Hammond & Company, stays in New York at the Waldorf-Astoria, which honors CARTE BLANCHE

From Hilton comes CARTE BLANCHE*—the all-purpose credit card reserved for men of responsibility. Carry CARTE BLANCHE and your established credit reputation travels with you . . . the world over.

CARTE BLANCHE is honored—and honors you—at thousands of carefully selected establishments in the United States and abroad. With it you can cash checks in hotels, charge hotel and motel accommodations, restaurant meals, purchases in retail and specialty shops, gasoline and motoring needs at service stations from coast to coast, car rentals and other services. All the fine establishments that honor CARTE BLANCHE are listed in the CARTE BLANCHE Directory, sent to every member.

There will be no charge for your card when it is used only for Hilton Hotels services. When you decide to use CARTE BLANCHE for other than Hilton Hotels services, you will be billed the annual fee of $6.

Today one million men of responsibility carry CARTE BLANCHE. You are invited to join them. *Trademark

CARTE BLANCHE
Dept. N-61
8544 Sunset Boulevard
Los Angeles 46, California

Please send me an application form for CARTE BLANCHE.

*Name*_____

*Address*_____

*City*_____ *Zone*____ *State*_____

CARTE BLANCHE RESERVATION SERVICE: You can receive immediate confirmation of your Hilton Hotel reservation anywhere in the world by calling any one of the 55 offices listed in the CARTE BLANCHE Directory.

REPORTING FOR DUTY!



Pickup with a back seat! New Travelette® takes 6 passengers, full-size pickup loads.



New Travelall® has more loadspace, more headroom and "spread" room for eight.

NEW INTERNAT

New truck-designed power! New custom interiors!

Choose from 5 economy-proved INTERNATIONAL "SIXES"



Choice of 220, 240, 264, 282 and 308 cu. in. displacements

All-time, any-time favorites for efficient power at low cost . . . now better than ever! They're short-stroke, low rpm. engines designed for truck loads, truck speeds, truck work exclusively. Latest improvements through research extend engine life and reduce maintenance. Available in a range of horsepower to suit your needs exactly.

Optional . . . 3 new value-proved INTERNATIONAL V-8's



Real money savers that bring brand new economy to V-8 operation! They deliver astonishing mileage from regular gas . . . smooth, lively power with next-to-no oil consumption. Proved by tests. Proved on actual truck jobs. Optional in new INTERNATIONALS from light-duty pickups to medium-duty stakes to heavy-duty six-wheelers.



New Bonus-Load Pickup Body fits flush to cab to create extra cargo space. Full-opening, center-controlled tailgate makes load handling easier. Choice of 7- or 8½-ft. body lengths. Standard pickup bodies also available.

Custom-Tailored Cab is trimmed with handsome durable vinyl. Seat is over 5 ft. across. Big windshield provides a safer view with no awkward doorway projections. From instrument panel to accelerator pedal, everything's designed for driving convenience.



You name it—they do it! New INTERNATIONAL models up to 33,000 lbs. GVW are ready to handle any assignment . . . the tougher the better. They're powered by truck-specialized "six" or V-8 engines. They're distinctively and durably styled with dual headlights and the largest one-piece anodized aluminum grille on any truck. They're the newest additions to the world's most complete truck line . . .
at your INTERNATIONAL Dealer's now!

INTERNATIONAL® TRUCKS
WORLD'S MOST COMPLETE LINE

INTERNATIONAL HARVESTER COMPANY, CHICAGO
Motor Trucks • Crawler Tractors
Construction Equipment • McCormick®
Farm Equipment and Farmall® Tractors



New medium-duty models offer 4x2 or 4x4 drive, stake or platform bodies.



Compact-design models are short in length for easier handling of bigger loads.



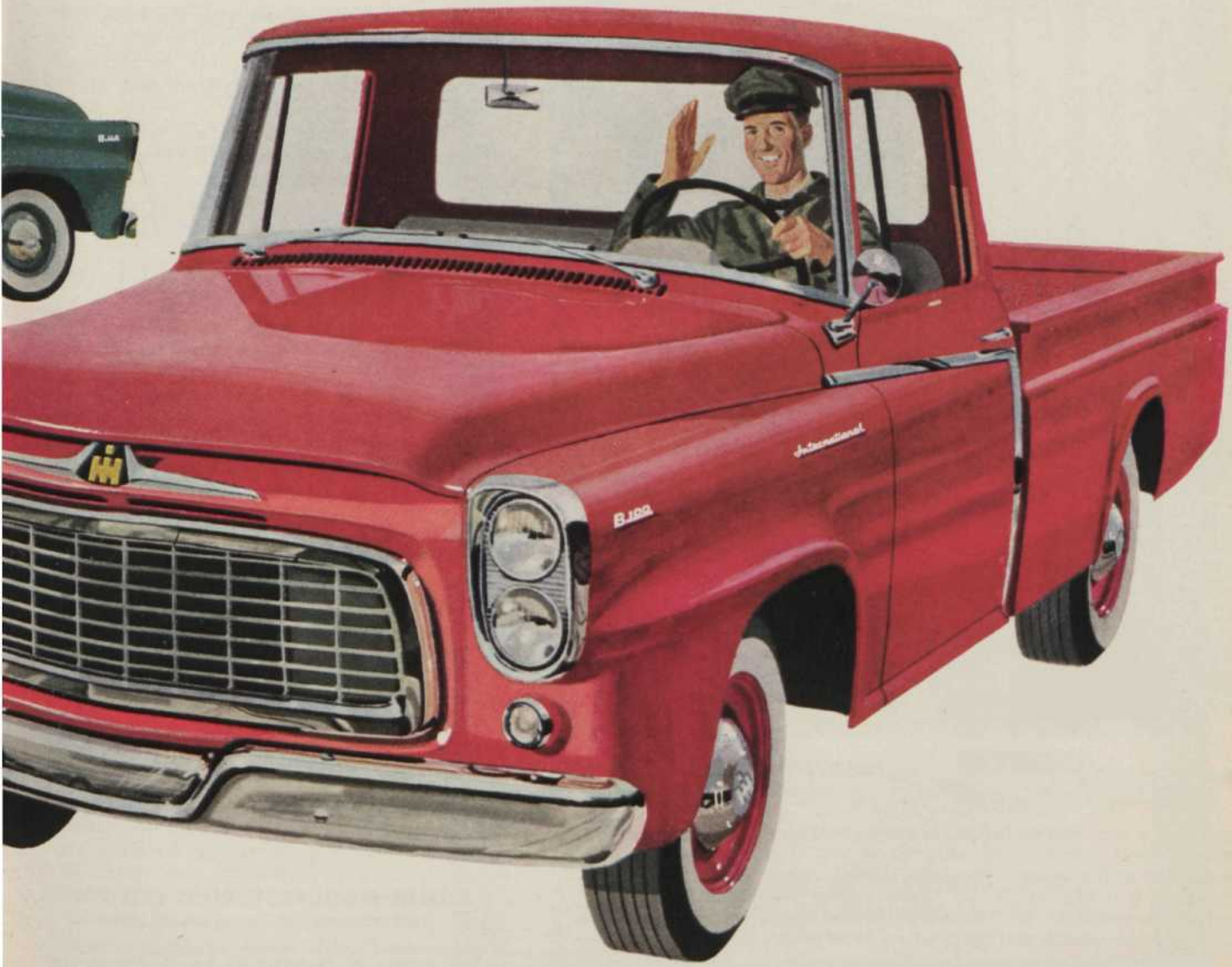
Newest on the road. Heavy-duty models are specialized for high-speed hauling.



New tandem-axle models have power and traction for on- and off-highway work.

IONAL TRUCKS

New loadspace! New look!





BEAUTIFUL WEATHER BARRIERS!

Unique new insulated walls for Butler buildings

Here they are! Walls with the bold, new look of tomorrow . . . incredibly slender, yet efficient; walls so durable, so weather-resistant that even years from now they'll still have that new look.

These distinctive curtain walls were created with Monopanl,® the first factory-fabricated and insulated panel that is factory-sized to fit a pre-engineered structural system to a "T." And, Monopanl is brand new on Butler buildings.

Thanks to its unique design and complete factory fabrication, Monopanl provides the fastest . . . easiest-to-erect curtain wall of its type; a slender wall as efficient as 12 inches of masonry.

Faced with hammered-embossed aluminum, Monopanl creates eye-catching industrial or commercial buildings that anyone would be proud to own. From the outside there are no visible joints or fasteners to mar the beauty of individual panels. If you prefer color—choose from a rainbow of durable, factory-applied color finishes. Monopanl is also available in galvanized steel that can be field finished in most any color of your choice with Butler Metal Magic.

Get full details on Butler buildings and Butler Monopanl. Ask about Butler financing too. Contact your Butler Builder. He's listed in the Yellow Pages under "Buildings" or "Steel Buildings." Or write direct.



Monopanl is a completely finished section of wall with insulation between metal inner and outer faces, (above left). Unique double tongue and groove design (above right) creates strong joints. Installation is simple—panels are simply pushed together—and fastened to structurals top and bottom. Double vinyl gaskets at every joint permanently seal out moisture—never require caulking.

BUTLER®

BUTLER MANUFACTURING COMPANY

7456 East 13th Street, Kansas City 26, Missouri

Manufacturers of Metal Buildings • Equipment for Farming, Dry Cleaning, Oil Production and Transportation, Outdoor Advertising • Contract Manufacturing

from a design by A. Francik and Associates, Architects

WAGE BATTLE

continued

is intensifying its efforts to obtain passage of the Kennedy bill.

The U. S. Chamber of Commerce is firm in urging that the present minimum wage figure and coverage be retained. Increasing either would probably have inflationary effects throughout the national economy, the Chamber contends.

It points out that approval of the Kennedy bill would not only increase the wages of the lowest paid employes, but also would compel employers to raise the wages of higher paid workers to maintain pay differentials. Companies would have to consider price boosts to compensate for higher labor costs.

Additional unemployment is another problem raised by the legislative proposal. If a firm proved unable to compensate for its increased labor costs by scaling prices higher, it might be forced to reduce personnel in order to stay in business.

The Chamber calls extension of the federal wage-hour statute to retail, service and other businesses of a local nature "unwarranted intervention by the federal government into local commerce." Such regulation should be left to state governments, it asserts.

The Chamber further points out that small retail and service firms would feel the impact of added labor costs although they are not covered in the Kennedy bill. Large and small stores compete in the same labor market and, if legislation forces big store wage levels higher, small stores will have to follow suit in order to obtain qualified personnel.

The Kennedy bill has been cosponsored by seven Democratic members of the Senate Labor Committee. In addition to Kennedy they are Senators Murray (Mont.), McNamara (Mich.), Morse (Ore.), Clark (Pa.), Randolph (W. Va.) and Williams (N. J.). Only eight votes will be required for approval of the bill by the 15-member committee, on which are nine Democrats and six Republicans.

The House Labor Committee's 10 Republican members are outnumbered two-to-one by Democrats.

Shortage of time may force final congressional action on wage-hour legislation over into 1960, an election year. The battle nevertheless has been joined and will flare up even more intensely in committee hearings scheduled for the current session. END

WHEN ELECTRIC POWER IS INTERRUPTED . . .

☑ *Furnaces don't heat*

☑ *Water pumps don't pump*

☑ *Lights don't light*

☑ *Freezers don't freeze*

☑ *Refrigerators don't cool*

☑ *Stoves don't cook*

☑ *Radios don't play*

☑ *TV is dead . . . electrical appliances are useless.*

(make your own check)

. . . but this can't happen to you . . . with an ONAN Emergency Electric Plant



Series 305 CCK
3,500 watts A.C.

An Onan Electric Plant provides all the regular 115 and 230-volt A.C. power you need, for as long as you need it. Compactly-built, for installation in your garage or basement. Automatic start and stop protects your home even when you're away. Size for an average home costs about the same as a food freezer. Models from 500 to 200,000 watts for homes, farms, business and industry.

FREE ESTIMATE—*The Onan distributor listed in your phone book will analyze your emergency power needs and estimate the cost. Or . . . write us for helpful literature.*

D. W. ONAN & SONS INC.
3157 University Ave. S. E. • Minneapolis 14, Minnesota



"Wouldn't you be careful for $20,000?" asks Robert Batson



Mr. Robert Batson, President, C. A. Batson Company, Brockton, Massachusetts

"When you build new schools and churches on a million-dollar-a-year basis as we do, your workmen's compensation insurance premiums can run mighty high. However, the service we get from Hardware Mutuals has resulted in a steady decrease in our premium rates. Here's how it works...

"Whenever we have to tackle a new construction problem, we call for an assist from our Hardware Mutuals loss prevention engineer. They give us valuable, on-the-job help to keep our accident rate down.

"For us this practical help boils down to a safer, happier working crew and big savings on our insurance costs—over $20,000 in 3 years. This kind of safety program makes sense."

Dividend savings, too!

Mr. Batson's experience is like hundreds in our files. Businessmen appreciate our way of keeping insurance costs down. And they like the substantial dividend savings they're getting back each year. Want the facts on how we can benefit *your* business? Just look in the Yellow Pages for Hardware Mutuals listing.

Hardware Mutuals®

Insurance for your Auto . . . Home . . . Business
Stevens Point, Wisconsin • Offices Coast to Coast

HARDWARE MUTUAL CASUALTY COMPANY • HARDWARE DEALERS MUTUAL FIRE INSURANCE COMPANY

The state of the nation

We can defend freedom only when we agree on what it is

MOST PEOPLE would agree that conflicting attitudes toward freedom form the basic issue in our differences and difficulties with the communist nations. It is so defined by our classification of a "slave world," composed of the Moscow-Peiping axis and its satellites, as contrasted with the "free world" that looks to Washington for leadership. Freedom, again, is singled out as the vital consideration whenever our officials refer to the United States as a free nation, which means in almost every pronouncement beamed to other countries.

Freedom being the issue for which we are prepared to fight, if necessary, it is surely of primary importance to know what freedom is, how we obtained it and why it is so valuable. Yet, if one puts those questions to ten acquaintances, the replies will be widely different, provided there is any answer other than embarrassed silence. If this confusion showed merely a distaste for semantics it would be unimportant. But there is an uneasy suggestion that inability to define freedom may mean inability to defend it.

• • •

To different Americans, freedom obviously has quite different meanings. President Eisenhower, for instance, in his radio address on the threat to West Berlin, said: "We recognize that freedom is indivisible." President Roosevelt, on the other hand, in his famous message on "the four freedoms," maintained exactly the opposite. Freedom, he said, in January, 1941, can be divided into four parts: "of speech, of worship, from want, from fear." All of these, it was then asserted, can and should be provided by governmental action.

This same divisibility, now denied, was carried over into the United Nations Charter, under which (Arts. 55 and 56) the government of the United States, like that of Soviet Russia, is pledged to secure "observance of . . . fundamental freedoms for all." Here a difference is drawn between fundamental and secondary freedoms, which serves to make confusion worse confounded.

On this matter of the essential unity of freedom unquestionably Mr. Eisenhower is right, and Mr. Roosevelt was wrong. A man in prison can have all of the latter's "four freedoms." He may be well fed, warmly clothed, immune from traffic accidents, able to worship in chapel and talk his head off in his cell—but he is not free. Conversely, a man may be wholly free, to go where he pleases and do what he pleases, even if he lacks comfort and security, facilities for formal worship, and opportunity to make speeches. Indeed we all owe much to men and women who have accepted the hazards and deprivations of true freedom.

Freedom, as the word itself suggests, is a con-

By Felix Morley



FRED J. MAROON

dition of the mind rather than of the body. Much as a kingdom is the -dom—or dominium—controlled by a king, so is freedom the dominium controlled by those who make their own decisions, for better or worse. This power to direct one's own life—this freedom of choice—is indeed the essence of freedom. Of course it does not necessarily lead to wealth or wisdom. Just as free enterprise can bring a loss as easily as a profit, so freedom itself, of which free enterprise is a reflection, can bring failure rather than success when choice is misguided. Yet to this country, as a whole, freedom has brought unparalleled material wealth.

• • •

In spite of the constant risk in freedom, the men who wrote the Constitution of the United States were firmly convinced that it is, on the whole, a more desirable condition than the alternative of servitude. Freedom they defined as that absence of governmental restraints which gives men maximum opportunity to make decisions for themselves. Plenty of power was given to government, not only to care for the incompetent but also to control those who are always likely to use their freedom to infringe upon that of others. But on the assumption that men are moral beings, and generally believe in doing unto others as they would be done by, the founding fathers—in behalf of freedom—divided and limited the powers of government.

The Bill of Rights, for instance, guarantees that in this country there shall be no laws "prohibiting the free exercise" of religion, or "abridging the freedom of speech, or of the press." This language did not split freedom into pieces, but on the contrary emphasized that governmental encroachment in these matters is an injury to its substance. President Eisenhower, in the recent address mentioned, carried the same thought farther. "Wherever in the world freedom is destroyed," he said, "by that much is every free nation hurt."

In other words, as the world shrinks with the advance of science, the restraints imposed on freedom by dictatorships become a positive threat to freedom in the United States. If the President can get that consideration into Comrade Khrushchev's head, then a summit conference will, for this reason alone, be well worth while.

But the weakness on our side of the argument is one which nobody else will trouble to point out for us. It is the very real danger that, in defending freedom against communist encroachment, we may ourselves unwittingly destroy it in our own country. If freedom is the absence of governmental restraint, encouraging men to exert their individual abilities on their own initiative, then by the increasing imposition of this centralized restraint we are moving to undermine freedom here at home.

And there is little doubt that in this way we have been chiseling at freedom for a long time, even without the excuse of communist aggression to justify the mutilation. President Roosevelt's "four freedoms" statement, made nearly a year before Pearl Harbor, is a case in point. For in this he took the revolutionary position that freedom of speech and of worship, on which the Constitution says the government must never trespass, should be *provided by* government instead of being *protected against* government. In other words, freedom should be nationalized, as subtly suggested by the way we now habitually call ourselves "a free nation" instead of "a free people."

At first glance the significance of this change is not apparent. So let it be pointed out that once the idea of freedom is nationalized it is mere mopping up to proceed with the nationalization of any segment of industry, such as public utilities. Free enterprise is after all only a reflection of freedom, and cannot be expected to endure if the substance from which it emanates is socialized.

• • •

This is emphasized by a glance at the other pair of freedoms—"from want" and "from fear"—which Mr. Roosevelt said it is the duty of government to provide. These have actually no relation to freedom, properly defined and understood. It is security, not freedom, that is provided by government when wants are paternalistically met and fears assuaged. Freedom is a gift to men from God, which government is competent to limit but wholly incompetent to create. By confusing the two, people get the impression that somehow it is a proper function of government to direct and regiment its subjects for their own good. And that is precisely the idea which communism is most eager to spread.

One could wish that the "four freedoms" speech had been a mere oratorical gesture, with no continuing significance for the problems of today. Unfortunately, it was the basis of the whole so-called "Economic Bill of Rights," and therefore the fountainhead from which the current flood of welfare spending continues to pour forth. All this is much more in accord with the communist definition of freedom than with that of our own tradition. And if we are to impress upon the Russians that we are willing to fight for freedom, we must first be able to make more plain just what our version of it is.

Without that clarification we shall find the rest of the world, at the coming top-level conferences, as ready to listen to the Russian viewpoint, which will be well presented, as to our own.

Are Rising Fleet Costs Cutting Your Profits?



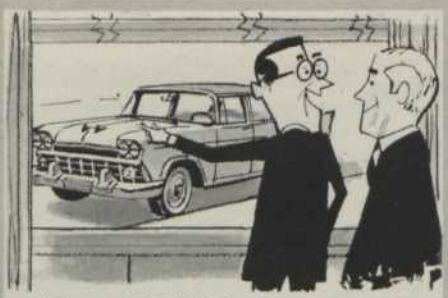
Meet Company President Horace Browning, and Sales Manager Fawcett. Their problem is a common one today . . . soaring car fleet costs that whittle down profits.



"These big, gas-thirsty '59 cars siphon off profit dollars like a vacuum cleaner," complains President Browning. "They're costing us too much to operate."



"What's more, Fawcett, we'll have to build an extension to the company garage to house these monsters. And our salesmen can't fit them into parking spaces."



"Cheer up, H.B.," declared Fawcett. "Let's switch our fleet to Rambler. We'll save money on first cost and operating cost. Because Rambler has top resale, we'll save too, when it's time to trade or sell."



"And our salesmen won't waste time driving 'round the block looking for parking spots. Rambler parks in spaces other cars have to pass up. Rambler is the one car that hasn't forgotten the fleet owner."



"You've got it, Fawcett!", beamed Browning. "We'll switch to Rambler like so many other fleet operators are doing. Rambler savings will make a nice showing on the right side of the ledger."

Rambler Fleet Sales Up 268%*

Like individual car buyers, fleet operators are switching to Rambler in record-breaking numbers. These business men have learned that it is sound economics that means important savings in first cost and operating costs. Many fleet operators report Rambler gives 4 to 8 more miles per gallon than ordinary cars. And Rambler's top resale value means you get more at trade-in time.

For complete information on the Rambler Fleet Purchase Plan, mail the coupon today. You entail no obligation.



*First Quarter, 1959 Model Year vs. First Quarter, 1958

Fleet Leasing Arrangements Are Available . . .

If your firm leases fleet units, ask your leasing company for low Rambler rates or write us for the names of leasing companies with whom we have working arrangements.

Fleet Sales, Dept. B
American Motors Corp.
14250 Plymouth Road, Detroit 32, Michigan

Please send your representative to call on us with complete information about the Rambler Fleet Plan. We understand this entails no obligation on our part.

FIRM NAME_____

STREET_____ CITY_____ ZONE____ STATE_____

BY_____



TRUCK OWNERS: You have fewer road delays with nylon cord tires. Whether you operate one truck or fifty, the extra toughness of nylon means money in your pocket. Nylon casings stand up under roughest use, offer many more safe retreads. Many truckers report costs down as much as 50% after they switched to nylon. Next time you buy new tires or new trucks, get the lasting blowout protection of nylon cord tires. They're proved safest. And they give lowest cost per mile.

THE SAFEST, STRONGEST TIRES ARE MADE WITH NYLON

LOOK FOR THE NYLON IDENTIFICATION ON TIRE SIDEWALL.

DUPONT

REG. U. S. PAT. OFF.

BETTER THINGS FOR BETTER LIVING... *THROUGH CHEMISTRY*

Washington mood

President doubts war danger, fears overoptimism


GEORGE TAMES

By Edward T. Folliard

WAR TALK HAS BEEN dying down here. The danger now, as President Eisenhower sees it, is not a bloody conflict over Berlin, but too much optimism over a summit meeting.

If there is to be such a Big Four conference this year, he is determined that the American people will not expect any earth-shaking agreement with the Russians.

"We must prepare during the years ahead to live in a world in which tension and bickering between free nations and the Soviets will be daily experiences," he has warned.

He was reluctant to agree to another meeting with Soviet Premier Nikita Khrushchev and was holding out against it as late as Feb. 25. That day, at a news conference, he made it clear that he was thoroughly disillusioned by the Geneva Conference of 1955. He told the reporters that Geneva produced "exactly zero progress."

The reason he opposed another meeting at the summit, he explained, was that if nothing was accomplished the result would be "a feeling of pessimism . . . of hopelessness." He is now trying to condition the American people against such a letdown.

• • •

The President finally consented to a meeting with Khrushchev and the leaders of Britain and France—provided that developments at a foreign ministers' conference this month justify it—largely because of the pressure from London. It was not only that British Prime Minister Harold Macmillan wanted a summit conference; the so-called man in the street over there also wanted one.

It was Sir Winston Churchill who gave to the word "summit" its current meaning in statecraft. That was in 1953. The great Englishman was—and doubtless still is—a strong believer in personal diplomacy. He felt that the problems tormenting the world could best be solved by a get-together of the heads of state, the men who had reached the summit of power in their respective countries.

Unfortunately, Churchill's magic with rhetoric carried too far. The word summit acquired wings that lifted the hopes of Englishmen and many others to almost heavenly heights.

Certainly that was the case in 1955, before and during the Big Four Conference in Geneva. Stalin was dead, a new crowd had taken over in the Kremlin, and it seemed to some that the Soviet Union was at last trying to meet the West's demand for "deeds, not words." In the spring of '55, the Russians finally had agreed to a treaty which freed Austria of the Red Army and western troops. Also it was noted that Bulganin and

Khrushchev smiled a lot—and this was taken as a good sign.

President Eisenhower may not have been taken in by all this, but it seems safe to say that he, too, thought that the Soviet leaders were possibly in a mood to negotiate a live-and-let-live agreement with the West.

There was evidence of this, the night of May 8, 1955, when the soldier-statesman attended a dinner of the Gridiron Club at the Hotel Statler here. The Russian smiles had affected the Gridiron members as well as others. In a foreign-affairs skit they sang a song, a parody on "Oh, What a Beautiful Morning," that went like this:

> Oh, what a beautiful morning,
> Oh, what a beautiful day.
> I've got a beautiful feeling
> Peace, now, is coming our way.

A thunder of applause exploded in the Statler ballroom as the song ended, and none applauded more vigorously than President Eisenhower up at the head table. Surely he must have felt then that the end of the cold war might be in sight.

Two months later, he flew to Geneva for the Big Four Conference, hoping that his own good will would be met by good will on the part of the Russians. On the surface everything was fine. There were smiles, soothing oratory, even the semblance of an agreement. The Russians pledged that they would try to work out a security arrangement in Europe and bring about a reunification of Germany.

Nothing ever came of it. Worse, it was discovered that, even while the Geneva Conference was in progress, the Russians were making plans to send arms to Nasser in Egypt. This signalized the Soviet move into the Middle East.

• • •

What can be expected of another meeting at the summit? Will the heads of government be able to avert a war over Berlin, which lies 110 miles within the Soviet zone of occupation?

Premier Khrushchev told Sen. Hubert Humphrey of Minnesota that the presence of American, British and Canadian troops in West Berlin was "a bone in my throat." Subsequently he backed down on the deadline he had originally set for the withdrawal of these western troops—May 27. He said the deadline could be extended to June 27 or even into July.

"But whoever bumps us with his elbow will break it," he added.

President Eisenhower seems never to have been alarmed by Khrushchev's pugnacious talk. He made clear to leaders of Congress, in private talks with them at the White House, that he does not expect a war over Berlin. He tried to say the same thing at a press conference later on, but many put the wrong interpretation on his remarks.

For example, when he told the newsmen that the West certainly would not fight a ground war over Berlin, it was widely reported that he had "implied" that the United States would, if necessary, fight a nuclear war, using A-bombs and H-bombs. However, a study of the transcript will show that he also said that a nuclear war would be "self-defeating" for all, by which he meant that both Russia and the United States would wind up as graveyards.

• • •

His conviction that there will be no fighting at all over Berlin was reflected in something else he said at that same news conference: If there is "any push in the direction of real hostilities, it's going to have to come from the side of the Soviets." He added: "I don't believe that anyone would be senseless enough to push that to the point of reality."

Khrushchev is reported to have told a caller in Moscow last winter that he was disappointed in President Eisenhower when he met him at Geneva in 1955. He is said to have told the visitor that he had thought of the American Chief Executive as a strong leader, but was surprised to observe that Secretary of State John Foster Dulles was always whispering in his ear and telling him what to say before he said it.

It could be true about Secretary Dulles' role at Geneva. The President never made any secret of his great dependence upon Mr. Dulles, whom he regarded then—and still regards—as "the most valuable man in foreign affairs I have ever known."

After the Secretary of State was forced to take leave of absence because of cancer, a decided change was noted in the President. He seemed to become more of a take-charge leader. His language when talking about the Russians became more vigorous. Observers began to say of him what they used to say about Franklin D. Roosevelt and Harry S. Truman—that he was "his own Secretary of State." Now that Mr. Dulles has resigned the President is expected to continue his dominant role in foreign policy.

He has let Khrushchev know in the bluntest language that the United States and its allies will not "retreat one inch" from their rights in Berlin, that they will not forsake the 2,250,000 people living in freedom in the western part of that city.

We seem to be approaching the most fateful showdown since World War II.

Pack up your troubles in your new kit bag

1.



"I'm aching for a Group insurance plan," said Ray Martell,
"But I can't stretch my budget for the extra personnel.
I've only ten employees, and with all that paper work
I'd have to let my business hang and double as a clerk."

2.



Undaunted, Travelers' man replied, "No need to add a crew.
Let our Administrative File save paper work for you.
From adding names to paying claims this kit has all it takes
To let you handle Group insurance during coffee breaks."

3.



"With Major Medical and pensions, health and life to boot,"
Exulted Ray, "my men are safe—their future's absolute!"
Within a week he made a claim (the acid test was passed):
The kit did almost everything but mix the plaster cast.

4.



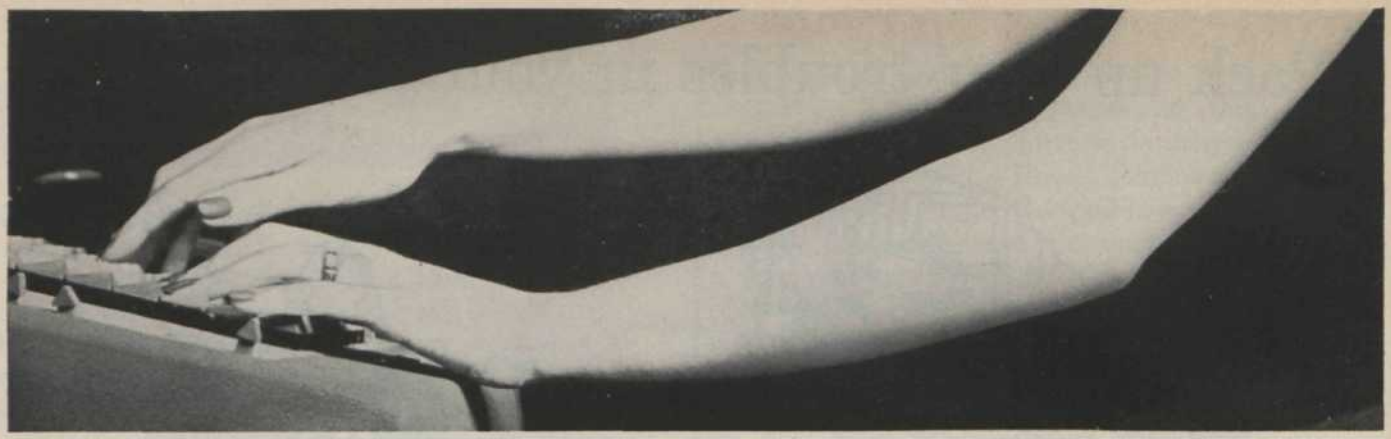
So, now Ray's loyal men praise Travelers' sure security,
And Ray extols The Travelers' kit for its simplicity.
As few as ten employees* can enjoy this Travelers plan,
And you'll appreciate the kit—so ask a Travelers man.

AMERICAN BUSINESS SECURITY · THROUGH THE TRAVELERS

THE TRAVELERS
Insurance Companies
HARTFORD 15, CONNECTICUT

*Minimum of 15 required in Florida.

All forms of business and personal insurance including Life • Accident • Group • Fire • Marine • Automobile • Casualty • Bonds





TWO HANDS + THIS MACHINE = A COMPLETE DEPARTMENT

What are your biggest bookkeeping jobs? Accounts Receivable, Payroll, Accounts Payable?

Then consider this fact. One of your workers using this Monroe President Accounting Machine can handle all three and will most likely have time left over for other work. In these most important phases of your business accounting, you'll save time, save money, eliminate errors. What's more, you'll enjoy the prestige of precise, printed forms, a sure sign that your business has come of age.

Act now, because now *any* business can afford mechanized accounting . . . The new President actually costs hundreds of dollars less than other machines in its class. Ask your Man from Monroe for an action demonstration in your office. Models start from $750.

MONROE

for CALCULATING
ADDING · ACCOUNTING
DATA PROCESSING MACHINES

A DIVISION OF LITTON INDUSTRIES

Monroe Calculating Machine Company, Inc., Sales and service in principal cities everywhere. General offices, Orange, N. J.

YOUR STAKE IN STEEL WAGES

These are factors in coming labor negotiations that will affect all business

WAGE NEGOTIATIONS getting under way in the basic steel industry will have a bearing on your costs, prices, profits, sources of supply and other business factors. By changing world trade patterns it may shape the course of the cold war.

If the agreement stimulates the inflationary trend appreciably, the outcome will also increase the chances—already being discussed in Congress—of further government intervention in normal business operations and possible regulation of steel and other basic industries.

The impact will largely be determined by answers to these questions:

Will wage costs go up, and how much?

Will steel prices rise, and how much?

Will there be a steel strike, and for how long?

The answers will come out of the new contract negotiations between the 12 largest steel producing companies and the United Steelworkers of America, and subsequent actions which the final settlement may induce. Contract talks are scheduled to begin on May 5. The deadline for settlement or strike is June 30, the expiration date of current three-year contracts.

The stakes involved can be discussed under five headings: inflation, wage patterns, strikes, jobs and government regulation.

Inflation

Wage increases are generally said to be inflationary when they exceed the increase in productivity (ratio of output to input) and force a rise in prices to help recover increased unit costs.

Various public pleas have been made to both the steel companies and the union to keep this year's settlement within limits that will not require an increase in steel prices.

President Eisenhower several times has urged both sides to "show statesmanship" and reach an agreement that will not force a price increase. Similar expressions have come from Congress, which is watching the situation closely, as are businessmen, union leaders, and the public generally.

In advertisements directed at retailing and consumer goods industries, the steel union has indicated it will seek wage increases that will give workers "an extra billion dollars to spend." It insists wage increases can come out of profits without price increases.

In advertisements published by the American Iron and Steel Institute, the industry has condemned the union's objectives as inflationary, adding: "75 per cent or more of the final cost of what you buy goes for labor."

In previous years the industry has kept silent while the union propagandized its views. Today the steel leaders are following the precedent set by automobile industry leaders in their negotiations last year with Walter P. Reuther's United Automobile Workers. They are saying publicly that the union's stated wage goals are harmful to the economy and the welfare of the industry, its employes, and the public.

What are the facts about wages, prices, profits, productivity and other inflation factors?

Steel Wages From 1940 through 1957, hourly employment costs in the steel industry went up an average of 7.6 per cent a year while output per man-hour rose only 2.6 per cent a year, according to Roger M. Blough, chairman of the board of the United States Steel Corporation.

In January, average hourly earnings for production



President David McDonald will be key man in steel union's decision to settle or strike

workers in steel reached $3.04, according to figures of the U. S. Bureau of Labor Statistics. This is an increase of 128 per cent since 1947.

For the second half of 1958, the total employment cost per hour for hourly workers was $3.60, including about 61 cents for paid holidays and vacations, pensions, insurance and other fringe costs not reflected in the hourly pay rate, figures of the Institute show.

Steel Productivity No single, accurate measure of productivity is acceptable to all concerned. Productivity represents the ratio of units of output to units of input. In steel it could be measured in terms of tons per dollar investment; or tons per number of employes or number of total hours worked by all employes.

BLS keeps records of output per man-hour of production workers, which is an official and convenient, though not necessarily accurate, yardstick for measuring productivity.

But this method does not take into account, for example, the contribution of the salaried workers, who also are necessary in making steel and who make up an increasingly larger proportion of the work force. Last year there was one salaried worker for every four hourly workers; in 1940 the ratio was one to eight.

It also ignores increased investment in equipment and machinery which enables a worker to do less rather than more work while increasing his output; and improved management and methods. All of these contribute to increasing productivity.

Even so, using BLS figures which tend to overstate worker productivity, output per man-hour in steel has dropped in the past two years. On the basis of new and revised BLS figures, it is now 22.3 per cent above the 1947 average. This is below what it has been since 1955. With 1947 equaling 100, the output per man-hour index was 129.4 in 1955, 130.4 in 1956, 128.9 in 1957, and 122.3 in 1958. It is likely to rise this year because of increased total production. Productivity usually goes up when a larger proportion of capacity is utilized.

Prices The steel industry contends that it has been more the victim than the cause of inflation. Changes in steel prices undoubtedly affect significant areas of the economy, but they do not determine changes in the general level of wholesale prices or in the cost of living, according to industry testimony given to the Senate Antitrust and Monopoly Subcommittee by Dr. Jules Backman, professor of economics at New York University.

Dr. Backman insisted that there is little causal relationship between steel prices and the cost of living; and that consumer prices repeatedly have moved quite independently of steel prices.

From 1940 to 1944, he pointed out, finished steel prices failed to increase by as much as one per cent in any year, yet the consumer price index rose 10.8 per cent in 1942. In 1949 steel prices rose while consumer prices declined.

In 1953-1955, the annual increase in steel prices ranged between 4.3 and 7.6 per cent, while the CPI remained almost unchanged.

From 1955 to 1956, steel prices rose 8.4 per cent while consumer prices rose only 1.5 per cent.

During and since World War II, the industry contends, the prices of things it buys have risen faster than steel prices, and steel labor costs have risen substantially more than steel output per man-hour.

Since 1947, steel prices have risen 100 per cent and the CPI 35 per cent; since 1940, steel prices have risen 163 per cent and the CPI 140 per cent.

Trends of steel wages and prices show prices going up right along with wages, but usually lagging behind. Since 1947, wages have risen 128 per cent compared with the 100 per cent rise in prices.

As a rough rule of thumb, the industry figures that an increase of one cent an hour in steel wages and fringe benefits adds $30 million a year to the cost of making steel. Half of this, or $15 million, represents a direct increase in the industry's employment cost, according to Mr. Blough.

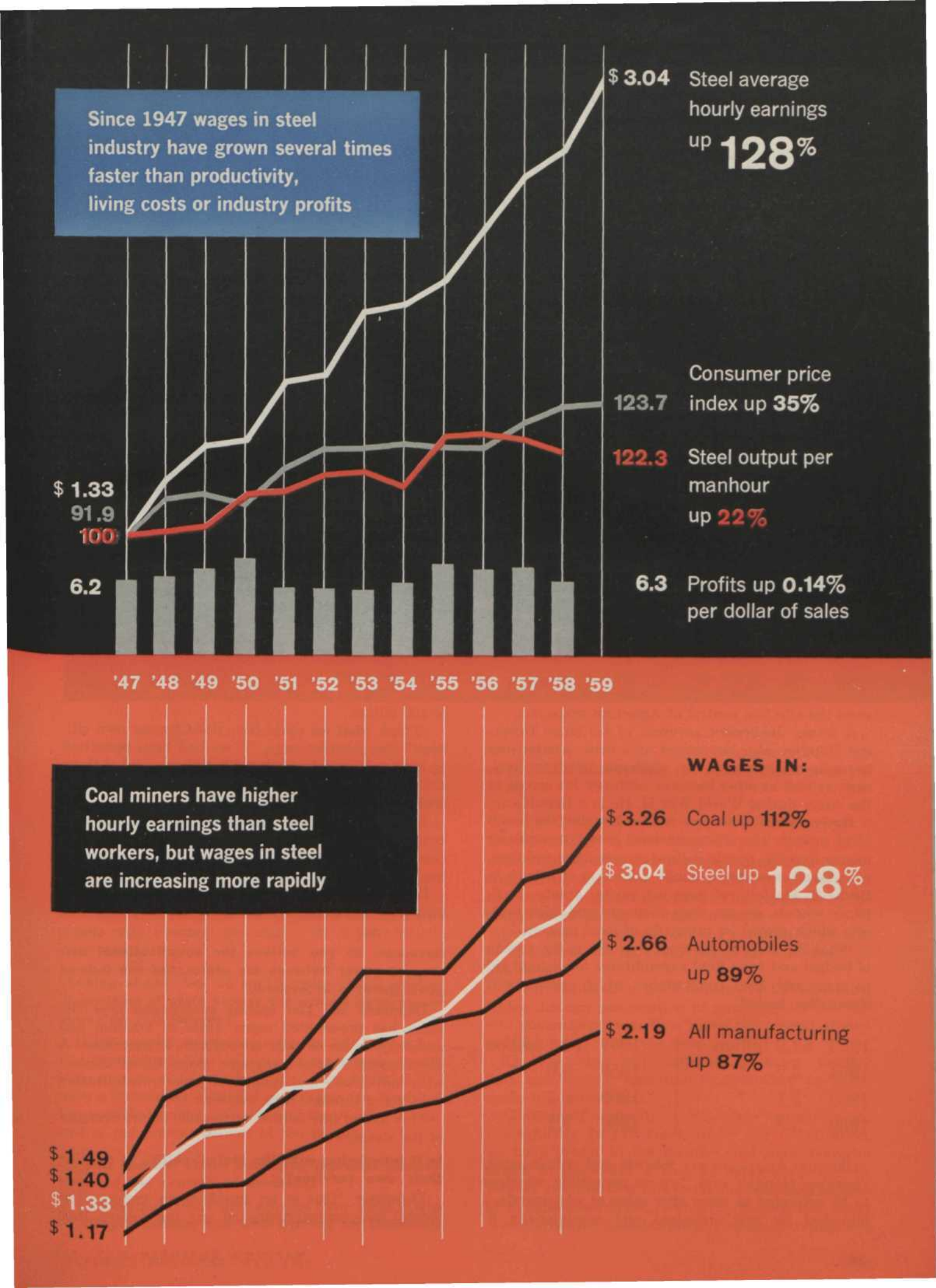
Another $15 million is paid indirectly in the increased cost of goods, services, taxes and other items reflecting similar wage boosts which usually follow in other industries.

Profits Joseph L. Block, chairman of the board of Inland Steel Company, answers union claims that higher wages can come out of industry profits. From 1955 through 1957, he says, the industry's return on invested capital was about the average for all manufacturing industries.

In all other postwar years the industry's return was lower than average.

Without adequate profit, Mr. Block says, "there is no chance for industry to modernize and expand, and who would deny that the steel industry, being vital to the country's welfare in peace and for national defense, should be able to make a return on its investment which would let it compete on an equal basis with other industries for capital?"

He says labor leaders have been reducing the return on investment to achieve their *(continued on page 86)*


Since 1947 wages in steel industry have grown several times faster than productivity, living costs or industry profits
$ 3.04
Steel average hourly earnings up 128%
123.7
Consumer price index up 35%
122.3
Steel output per manhour up 22%
6.3
Profits up 0.14% per dollar of sales
$ 1.33
91.9
100
6.2
'47 '48 '49 '50 '51 '52 '53 '54 '55 '56 '57 '58 '59
Coal miners have higher hourly earnings than steel workers, but wages in steel are increasing more rapidly
WAGES IN:
$ 3.26
Coal up 112%
$ 3.04
Steel up 128%
$ 2.66
Automobiles up 89%
$ 2.19
All manufacturing up 87%
$ 1.49
$ 1.40
$ 1.33
$ 1.17

FEDERAL AID CHECKS LOCAL GROWTH

Governor rejects notion that Washington interference stimulates community effort in solving area problems

A Nation's Business interview with **Gov. Harold W. Handley** of Indiana

EXPENDITURE of federal money to help solve community and area problems is backfiring.

This view is expressed by Gov. Harold W. Handley of Indiana, who sees federal aid standing in the way of local progress.

"Although our citizens demand more and more from state and local governments," Governor Handley says, "the capacity to satisfy these needs is steadily curtailed by excessive—almost confiscatory—taxation by a supercentralized government now far beyond the effective control of American taxpayers."

A former lieutenant governor of his state, Governor Handley also has served as a state senator and has long experience in the wholesale furniture business, as well as other business ventures. He served in the Army during World War II. He is a Republican.

Governor Handley opposes what he calls "the fraudulent process whereby the federal government drains money from the people in local communities and then, with fake benevolence, hands a fraction of it back to them—in the form of so-called federal grants—to finance schools, sewers, slum clearance and other projects which should be primarily of local concern."

What the Indiana governor deplores is the growth of budget and trust fund expenditures for federal aid to state and local communities which, since 1953, shows this record:

1953	$2.9 billion		1957	$4.1 billion	
1954	2.7	"	1958	5.0	"
1955	3.1	"	1959	6.7	"
1956	3.8	"	1960	7.1	"

Because Americans are tolerant and open-minded, Governor Handley says, "we are permitting ourselves to be subjected to wave after wave of propaganda—launched by well organized and exceptionally financed pressure groups—to achieve a carefully conceived program of federal domination.

"We must reverse the tide of paternalism," he says, "if we hope to harness ruinous inflation and thus protect America's security."

Governor Handley says that, between 1934 and 1958, federal aid to all Indiana units of government —state and local—was almost $791 million. In 1958 alone, Hoosiers paid $1.8 billion in federal taxes. In the 24-year period they paid Uncle Sam a total of $20 billion.

"Think what we could have done for our own citizens," the governor says, "if we had been permitted to keep a fair share of that $20 billion—and if those dollars had never made the debilitating trip to Washington."

To avoid ultimate deterioration, the Hoosier governor says, "every state and community should exercise a scrupulous selectivity in accepting or approving federal grants."

Here's how Governor Handley answered questions asked by NATION'S BUSINESS:

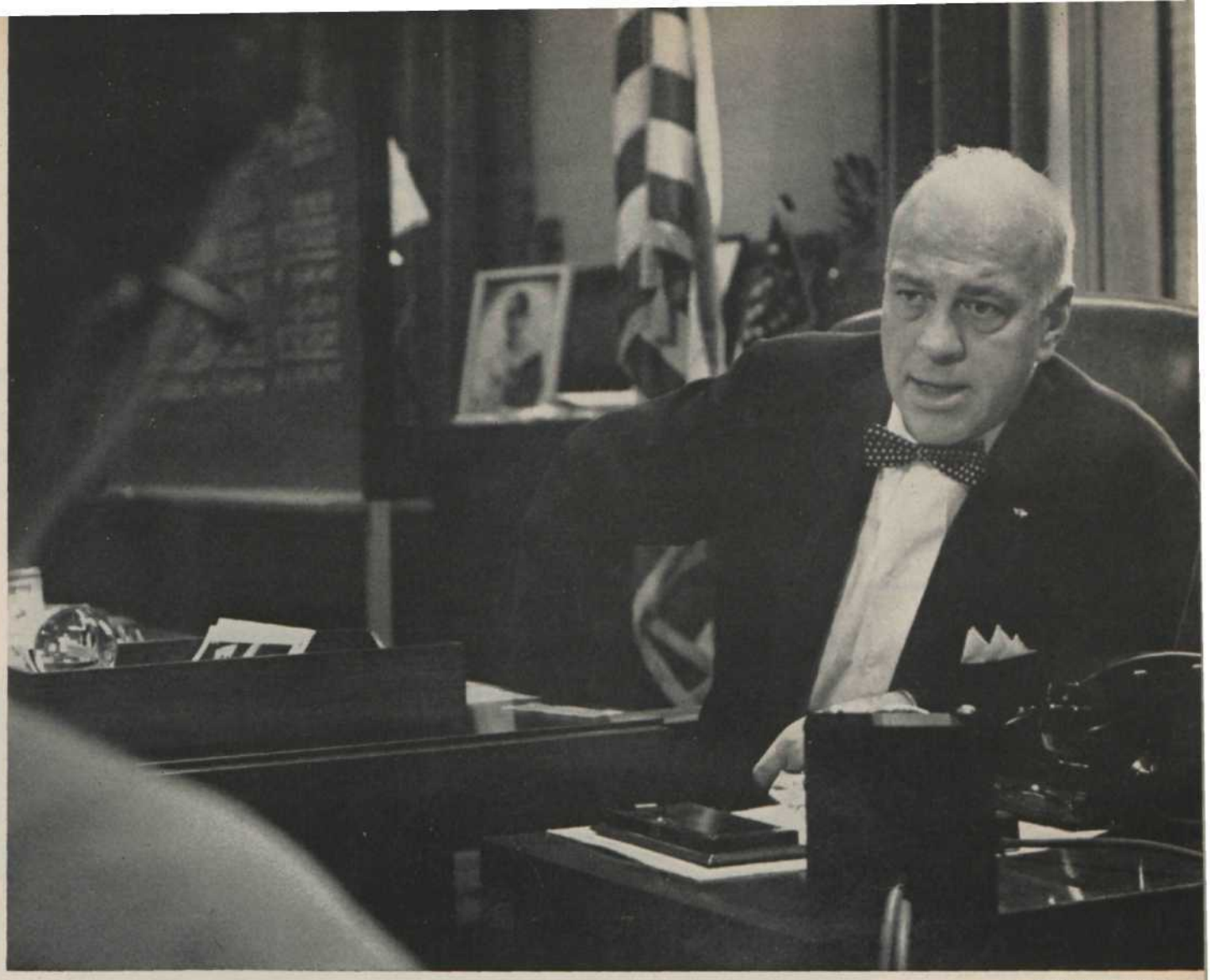
Governor, do you believe the constitutional balance of power between the states and the federal government is in jeopardy?

Definitely so. The federal government over the years has pre-empted many areas of taxation and authority so far as state government is concerned. A great many federal programs make direct contact with individuals and municipal governments, rather than going through state agencies.

This action has tended to weaken the sovereignty of the states.

Is it interfering with the states' ability to provide their own services?

Definitely. This is an upside-down system. The federal government drains off our tax dollars, then



HARTLEY ALLEY—FIX

rebates only a fraction of those dollars to states and communities.

A realistic realignment of the relationships and functions of federal and state governments is essential.

Political centralization eats at the heart of freedom, demolishes home rule, withers individual and collective community initiative to find solutions for local and area problems and threatens the American people with eventual domination by a paternalistic superstate.

Looking ahead, say 10 to 15 years, what kind of disposition of state versus the central government power do you foresee?

If the present trend continues, we will have a federal bureaucracy that will not be responsible to any state agency or to any federally elected official. We have a bureaucratic form of government in Washington now that seems to be beyond the reach and control of the representatives of the people.

Do you see the states becoming political subdivisions of the central government?

To a certain degree they already have. That is why so many governors have been fighting the imposition of federal authority and the infringement of states' rights.

What do you see as the principal threats from a stronger central government?

Because we have our own republican form of government in each state, we are able to conduct our business on a grass-roots basis. This closeness to the people keeps the government in check.

Once power is passed on to a centralized government, control—as far as the people are concerned—is dissipated.

When you destroy the autonomy of the individual states through pre-emption of authority by the federal government, you have taken the control of government away from the people.

That is what has happened in every country that has become socialized, communized or fallen under any other "ism."

Centralized authority is absolutely counter to our Constitution. In 178 years, under our Constitution, we have grown to the greatest and most powerful nation in the world. I fear, as many governors do, that we are reversing this trend and becoming subject to a supergovernment, which in history has never proved effective except to force *(continued on page 44)*

JOBS GO BEGGING DESPITE UNEMPLOYMENT

Exclusive survey made for Nation's Business shows urgent need for training many workers

THE UNITED STATES is suffering from a shortage of job skills.

This is an important reason why unemployment is higher than economists, businessmen, politicians and union officials think it ought to be.

If jobless workers had the necessary skills, jobs could be filled, unemployment would be reduced and production of goods and services could be boosted.

The shortage of skills is revealed by a survey conducted exclusively for NATION'S BUSINESS.

The study covered areas with a total of more than 15 million nonfarm workers. All but three are listed by the Department of Labor as major unemployment areas. Together these regions account for approximately a third of all unemployment.

Essential findings are these:

- ▶ Many jobs are going unfilled, even in regions where unemployment is highest.
- ▶ In most places jobless workers are reluctant to seek training or to move to regions where work is available.
- ▶ Many companies have training programs to upgrade their workers.
- ▶ Employment will improve in the months ahead.

Job opportunities

Every locality surveyed has some job opportunities. But the number is not easy to count. The New York State Division of Employment, for example, has 18,000 unfilled jobs listed but estimates that this is only a third of the total jobs available.

"Most hiring," the agency says, "in this area is done at the gate or through newspaper ads and employment agencies. Most vacancies are not reported to any central source."

The same is true throughout most of the nation.

In New York City where 8.4 per cent of the work force is jobless, an employment agency specializing in factory help says: "Skilled machinists and welders are in demand. Among unskilled workers we are looking for shipping and stock clerks." Another agency man calls the unemployed "largely persons who lack specific training."

Still another backs up this view by saying: "There is little need for helpers. Schools are turning them out in droves. Cabinet makers are needed. So are plumbers, engineers, junior and senior physicists, mathematicians, general and legal stenographers."

In Chicago, where 7.5 per cent of the work force is jobless, an Illinois state employment agency man says: "There is terrific need for skilled clerical-office type help just as industry wants engineers, accountants and electronics experts." Another in Chicago adds: "We wouldn't have more than 200,000 out of work if they did not lack these particular skills."

A St. Louis employment specialist told NATION'S BUSINESS: "Sixty-two per cent of the unemployment is among the unskilled and semiskilled."

A large chemical company told the survey team: "Good secretaries and stenographers are almost impossible to find. Trained statisticians also are in short supply."

Contrast the shortage of stenographers with the fact that among the unemployed are 357,000 women between 18 and 24 years of age. Another 94,000 girls aged 14 to 17 are also listed as unemployed.

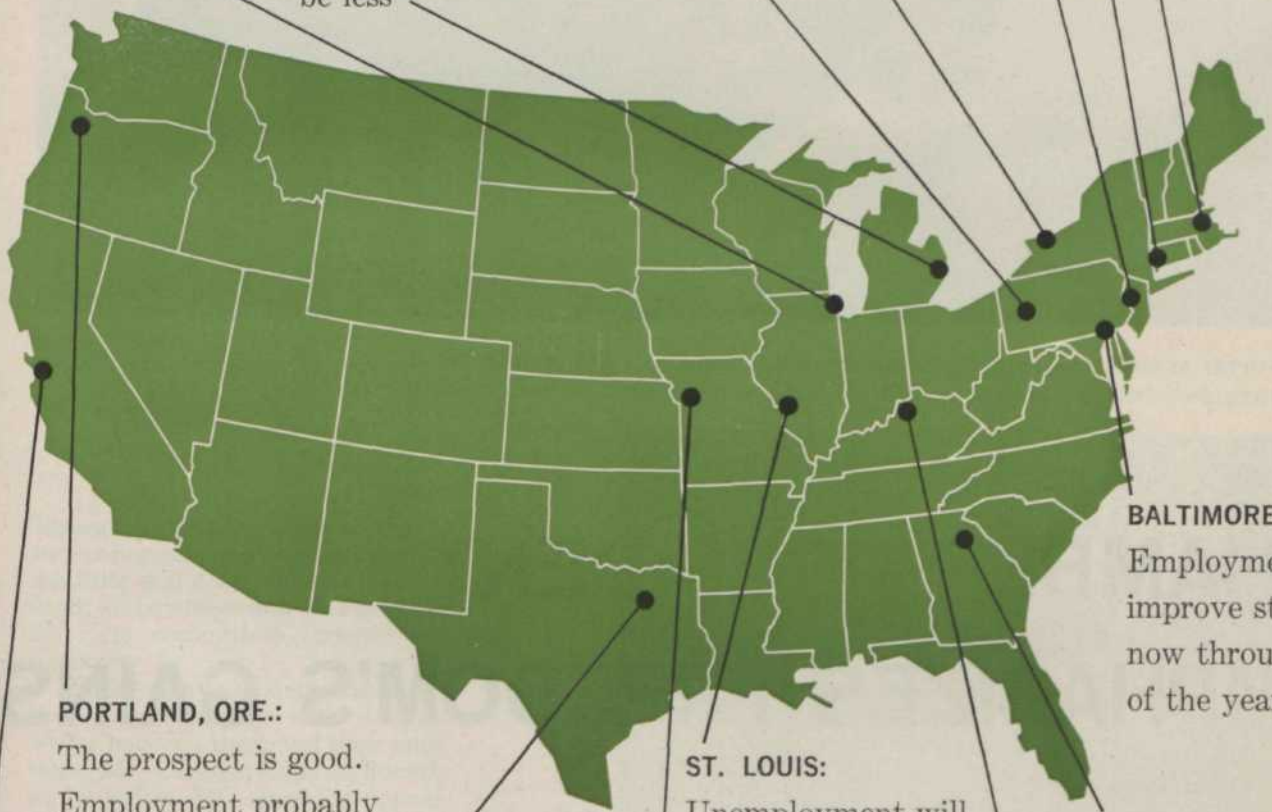
Lag in learning

In some areas surveyed, officials expressed the belief that many young people are unwilling or unable to qualify for existing jobs. Unless young people do seek training for upgrading skills, however, unemployment will increase in the years ahead.

As wartime babies begin to ma-

(continued on page 94)

How specialists in key unemployment areas view the future ➡



PITTSBURGH:
Belief is that the jobless rate will decrease during the year

PHILADELPHIA:
Unemployment should decrease because of government spending and industrial pick-up

NEW YORK:
Unemployment will decline by year end but decline will be small

PROVIDENCE, R.I. :
Unemployment is higher now than a few months ago but recent pick-up is expected to continue

BUFFALO:
Pinch is being felt hard in this primarily heavy industry area but jobless total will decline

DETROIT:
The 1960 automobile year is expected to be better and unemployment will be less

CHICAGO:
Unemployment will go down by the end of this year

BALTIMORE:
Employment will improve steadily from now through the end of the year

PORTLAND, ORE.:
The prospect is good. Employment probably will reach its peak in the next six months

ST. LOUIS:
Unemployment will continue to rise for a while but the situation will improve later in the year

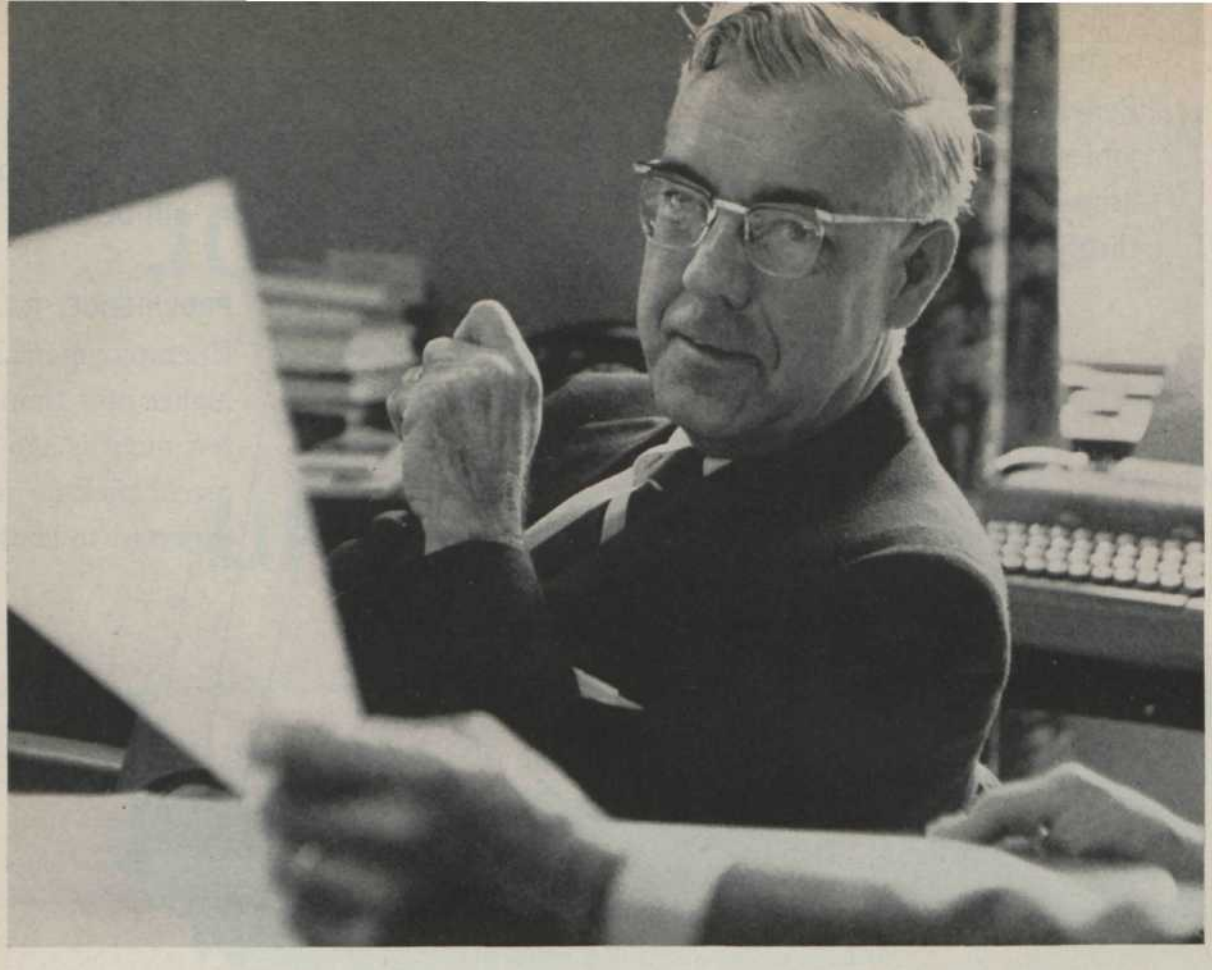
ATLANTA:
The economic situation is healthy and will be good for the rest of the year

SAN FRANCISCO:
Number of jobs will increase gradually through September

DALLAS:
Indications point to a gradual increase in unemployment

KANSAS CITY:
Unemployment is expected to decrease in the next three months

LOUISVILLE:
No large new plants and no new industries are opening; there is no reason for unemployment to decrease



CHAMBER PRESIDENT EMPHASIZES FREEDOM'S GAINS

Erwin D. Canham, an editor with a world-wide reputation, will head U. S. Chamber this year

ERWIN DAIN CANHAM, the new president of the Chamber of Commerce of the United States, is a man of many distinctions, at least two of them unique.

He is the only president of the Boston Public Library who has answered to the nickname "Spike."

He is the first practicing newspaperman to serve as the Chamber's president. Although John Henry Fahey, Chamber president in 1914 and 1915, owned and published several newspapers both before and after his Chamber service and had been an editor, he was best known for his work in the financial field and as an adviser to Presidents Wilson, Harding, Coolidge and Hoover.

Mr. Canham does not fit easily into any pigeonhole. He is best known over five continents as the editor of the *Christian Science Monitor*, a distinguished newspaper with international circulation and influence.

Editing the *Monitor* would be, for a man of less astonishing energy, a full-time job. But Mr. Canham finds that it can be managed with only 40 to 50 hours of work a week. Since there are 168 hours in a week, all of which Mr. Canham believes in putting to good use, he has a good deal of time to devote to other public service activities.

The list of extracurricular responsibilities to which Mr. Canham liberally devotes his time includes: the chairmanship of the National Manpower Council; membership on the U. S. Advisory Commission on Information; directorships of the Federal Reserve Bank of Boston and the John Hancock Mutual Life



As Monitor *editor, Mr. Canham exercises detailed direction that is surprising in view of his travel schedule. Home base is this house in Boston's "elegant alley"*

Insurance Company; trusteeships of two colleges, a museum, a research institute and a major philanthropic fund; and membership on more than 20 civic committees, boards and agencies.

Unlike many newspapermen, who are articulate only with a typewriter between them and their audience, Mr. Canham talks as fluently as he writes. His speaking appearances, coupled with the numerous meetings he attends, keep him constantly on the go.

Mr. Canham is paring his activities rather sharply during the coming year so that he may give priority to his new job as president of the Chamber of Commerce.

Mr. Canham has served for five and a half years as a Chamber director. He is well acquainted with its policies and with the role expected of him as its president.

As spokesman for the world's largest business organization, he is determined to speak frankly about American business.

In some instances, this will mean blunt candor about what he regards as the shortcomings of business. At his first news conference as Cham-



PHOTOS BY JOHN LEWIS STAGE—LENSGROUP



PRESIDENT *continued*

ber president, a reporter tossed him a loaded question about the congressional investigation of administered prices.

Mr. Canham paused thoughtfully before he replied:

"I have no quarrel with Congress for bringing pressure to maintain a free and competitive market. I will not attempt a blanket defense of everything that business does in any field."

Businessmen need not fear, however, that Mr. Canham's candor will make him an embarrassing kind of spokesman to have around. The things he admires about American enterprise vastly outweigh those he feels compelled to criticize.

"My chief goal as president of the Chamber," he told a recent visitor, "is to let people know about the tremendous change that has taken place in the American system of free enterprise in the course of the past half century.

"Too many people—both in this country and abroad—do not realize the degree to which American business has accepted social accountability to its customers, its employes, its stockholders and the entire community.

"The world needs to know, especially the uncommitted areas that are wavering between free and totalitarian economic systems, that

(continued on page 112)

Erwin D. Canham *has been described by one of his closest friends, columnist Roscoe Drummond, as "a conservative who does not look upon a new idea as dangerous."*

Here are some of Mr. Canham's views on major issues—views that will doubtless be reflected in the speeches and statements he will make in the coming year as president of the Chamber of Commerce of the United States.

ON AMERICAN BUSINESS AND BUSINESSMEN

Nothing is more seriously misunderstood throughout the world than the real nature of American capitalism today. We have come a long way in the past 50 years toward eliminating the selfish abuses of economic power that were identified with capitalism in this country around the turn of the century, and which are still to be found in the cartelized capitalism of some other countries.

American business is in a better position today than ever before to present its case to the court of public opinion. It has accepted its social responsibilities—to its customers, its employes, its stockholders and the whole community.

There are still areas in which business can and must improve its record, and I will not hesitate to criticize these shortcomings. But on the whole, businessmen deserve credit and admiration for the job they have done in cleaning their own house.

COMPETITION

We must not betray, through administered prices or any other device, the fundamental tradition of our free competitive economy, which prides itself on reducing costs and giving the consumer more for his dollar.

I believe all business today needs the challenging pressure of a competitive market in which price is a dominant factor. Business does a more efficient job in hard times than in soft times.

BUSINESS AND LABOR

Economic freedom, like political freedom, requires the maintenance of a balance of power. In 1900, capital held the dominant economic power in the United States. Since then we have evolved steadily toward a balance in which power is distributed among management, labor and government. Business also has been using its economic power more wisely, less selfishly, and it has earned public respect thereby.

Today it is the labor tycoons who are getting the unfavorable headlines and are being accused of abusing their economic power. This situation will continue only to the extent that both labor and management deserve it.

FOREIGN TRADE AND AID

We are entering the most competitive world Americans have ever faced. We ought to be responding to the communists' challenge to competition more zestfully than we are doing.

We must wage international trade more effectively, which means that the private sectors in our economy must cooperate more efficiently with government—and government with them—to maintain and enlarge our position as a great trading power.

Gangster invasion of business grows

AN INTERVIEW WITH ROBERT F. KENNEDY

Chief counsel of McClellan Committee shows how political apathy opens door to racketeers

A NEW SURGE of racketeering is strangling businesses across the country.

The situation is more critical than ever before. It will get worse.

You as a businessman, as well as public officials and union leaders, are involved.

Establishment of a national crime commission to deal with this growing problem is under study on Capitol Hill. Such a commission will likely be recommended to Congress by the Senate Rackets Committee, headed by Sen. John L. McClellan, Democrat of Arkansas.

The commission would take over when the McClellan Committee winds up its work this year, and would attack corruption that is beyond the reach of the Committee.

Even so, new laws beyond those now being considered in Congress will be needed to check the mounting trend of gangsterism.

These are the views of Robert F. Kennedy, chief counsel of the McClellan Committee during the almost two and a half years of investigations into improper activities in the labor-management field.

For the details on how unions get and use their power, how you can avoid being trapped by hoodlums, and what you could be doing about the situation, read this exclusive interview by the editors of NATION'S BUSINESS:

Mr. Kennedy, are businessmen being hurt by infiltration of racketeers into businesses?

In my estimation, based on two and a half years of investigations by our committee, the situation is far more critical now than it has ever been. In some communities in the United States local law enforcement is completely under the control of gangsters. A large number of businesses are controlled by the underworld.

Gangsters have taken complete control of a number of industries to obtain a monopoly, often with the help of dishonest union officials.

Could you tell us about some of these situations?

First, although businesses of all sizes are concerned, the so-called service industries have been particular targets; the providing of linen to hotels and restaurants; the paper towels that are provided to restaurants; even the silverware; the providing of laundry; the handling of cartage, where a few companies in one city began to exercise complete control over the industry.

Once the gangsters get their foot in, once some businessman makes a deal, he finds that, in two or three

(continued on page 108)



ROBERT PHILLIPS

An authoritative report by the staff of the

HOW'S BUSINESS?

today's outlook



AGRICULTURE

More than usual adjustments are expected this year in the acreage planted to several crops, largely as the result of changes in federal programs.

Farmers will plant a somewhat larger acreage of the major surplus crops—corn, wheat and cotton. The principal reason for the expansion is the termination of the soil bank Acreage Reserve Program, which covered these three crops primarily. The 17 million acres thus released are only partially offset by the 13 million acre addition to the Conservation Reserve Program in 1959.

Also significant is the shift of farmers from one crop to another in response to changes in relative prices. Soybean acreage will decline for the first time in 10 years. Support levels for soybeans and feed grains will drop 10 to 15 per cent.

In addition to the cotton land released from the soil bank, another million or so acres of cotton will be planted by farmers who chose the option to increase their plantings over allotment in return for lower support prices.

CONSTRUCTION

Products now in the laboratory will change the housing industry in the 1960's.

The Building Research Institute's development experts speculate as to the probable effect of these items on the sizes, shapes, and kinds of buildings constructed during the 1970's. The institute, a private, industry-supported organization, is sponsor of several technological conferences each year to advance the construction industry.

A recent meeting discussed windows, frames and sashes, sealants for curtain walls, and the use of mechanical fasteners in construction work.

More than 500 architects, engineers, contractors, materials and equipment manufacturers, plant administrators, government construction officials and university research men took part.

CREDIT & FINANCE

Individual savings continue on the uptrend. In 1958, savings institutions had their biggest year since World War II.

All types of savings institutions last year gathered in net savings of over $17.3 billion, bringing total savings to more than $282 billion. This 1958 gain, 50 per cent greater than in 1957, was exceeded only during the war years.

Pension fund growth continues at a fast pace and now exceeds $34 billion. Some single corporate pension fund accumulations are nearing the $2 to $3 billion figure. In addition, state and local government pension funds are almost $13 billion.

Demand for bank loans by business may well continue level, with some slight drop in demand in the larger metropolitan centers.

DISTRIBUTION

Sales activity in the distribution field reflects the tone of the general business recovery.

Retail sales, comfortably ahead of year-ago figures, are already projected for the full year at five to six per cent ahead of 1958 sales. With a stable price level, this means physical as well as money gains.

Sales of merchant wholesalers, according to the U. S. Department of Commerce, have held above previous-year levels for six consecutive months.

However, business has not gone overboard in building up inventories. The latest Federal Reserve Board reports show that stocks of most retailers, especially in nondurable goods, are valued at levels barely above those of 12 months ago.

There's still a note of caution in the air, sounded by both consumers and businessmen, which is probably a healthy sign. Federal Reserve Board data show that consumers, while adding to their installment debt, are also increasing repayments on their old debts.

FOREIGN TRADE

Major changes in the level, pattern and composition of U. S. foreign trade are becoming increasingly evident. Of greatest immediate concern is the sizable drop in United States exports in recent months.

For example, our sales abroad in 1958 totaled $16.5 billion—down

from the record $19.5 billion in 1957.

Factors contributing to the decline are: 1, the increase in Soviet bloc exports to the free world—described by some officials as disruptive; 2, climbing prices of American goods compared to prices in the rest of the world; and, 3, increased on-the-spot participation of American companies in the European Common Market, among others.

An increasing number of American firms are reported to be supplementing direct exports to the six European Common Market countries by producing within the area. Within the foreseeable future, United States companies will find that they are in competition with their own branches and subsidiaries within a given country and in third markets as well.

GOVERNMENT SPENDING

The battle of the budget will get moving in earnest this month. However, the struggle will no longer be to retain a balanced budget for fiscal 1960, as was proposed by the President. Rather it will be to keep the deficit from exceeding $2 to $4 billion.

Decisions by congressional leadership not to consider revenue-raising proposals advanced by the Administration doom any hope of meeting the President's objective.

In addition, some new spending authorizations—mainly by the back-door method—will pass. Strangely enough, regular appropriation totals will probably be cut below the President's requests.

Nevertheless, many congressmen and senators have been considerably sobered in their attitudes toward federal spending by their visits back home during the Easter recess. Much economy sentiment has rubbed off on them.

Taxpayers' revolts in several states, plus the financial plight of Michigan, have shown the public that major deficit spending cannot continue indefinitely, particularly in times of prosperity.

Aiding the development of economy-consciousness has been the spirited drive by several business organizations and the Administration to point out the real threat of inflation. As it discourages savings necessary for economic expansion, the possibility for continued prosperity diminishes.

LABOR

In the controversy over proposed labor legislation, a fundamental point is being overlooked, or at least down-rated.

Little has been said about compulsory unionism. The legislation now being considered in Washington does not touch on compulsory unionism. Those who point to this lack say that if a trade union were compelled, as are other nongovernmental organizations, to exist, thrive and progress on the basis of merit and proven value to American workers, little room for corruption and racketeering would remain. The American worker would be quick to perceive the effects of affiliating with any group whose ethics or performance was not of a high order.

Compulsory unionism removes an incentive for maintaining decent, strong, non-corrupt trade unions.

NATURAL RESOURCES

The U. S. Senate is getting set to find out how much water resource development the nation will need by 1980. Look for a Senate report, due January 1961, to point out that both federal and nonfederal spending for water projects must be greatly increased to meet the needs of an expanding economy.

Ostensible purpose of the study—to be made by a special committee of 10 senators aided by a professional staff—is to develop facts to guide the Senate "in considering water resources policies for the future." Recommendations will include legislation "that may encourage the adoption of new technical methods and improved processes for increasing the usefulness of available water resources."

Less obvious purposes, however, are likely to involve such other problems as: the need for more federal water and power projects; threats of national defense indicated by Soviet resource developments; relief to areas of high and persistent unemployment; improvement of conditions for long-run economic growth through federal leadership.

An underlying objective may be to produce evidence that higher federal outlays should not be refused on the basis of "narrow budget-balancing considerations."

TAXATION

The recent Supreme Court decisions approving state taxes on net income from interstate business of out-of-state corporations has roused the largest volume of protest Washington has seen in some time. If this protest continues, Congress will find it necessary to act.

The Senate Select Committee on Small Business held hearings on April 8 to sample opinion of tax commissioners and businessmen as to the effect these decisions would have on business.

Almost without exception the witnesses agreed that small business would carry a relatively much heavier burden in complying with demands of additional states for a share of their income. They also agreed that the diversity of formulas for allocating income taxable by the individual states would aggravate the problem.

But there was no agreement as to the proper formula.

The Small Business Committee plans hearings in a number of cities. Those who wish to be heard should ask the committee where and when.

TRANSPORTATION

Labor cost in transportation is the element which management has had the least opportunity to control.

Agreements negotiated in this field over the years have resulted in outmoded working rules which have served to nullify technological advancements. The consumer pays the resulting higher costs.

In transportation labor costs constitute the largest single item of operating expense: In the ocean carrier field they amount to 65 per cent of all operating expense; in the trucking industry they represent 50 per cent; in the air transport field 46 per cent; and in the railroad industry 53 per cent.

The solution to problems arising in labor matters calls for close appraisal of the responsibilities of business, government, and the labor unions. It is a challenge to American ingenuity, resourcefulness, and the ability to work together.

HARTLEY ALLEY—PIX



"Too many states are satisfied to go to the federal government with a tin cup in their hand"



"When education is controlled locally parents have something to say about what is taught"

FEDERAL AID

continued from page 35

upon the people the will of a bureaucracy.

How does this trend in the central government threaten individual or community incentive?

If the people are dependent upon government for their security, they certainly lose a great deal of their own inititative. Dependency creates apathy. Apathy creates dictatorship. If you aren't willing to fight for what you feel is right and for the constitutional principles of liberty, the end result is socialism.

Governor Handley, how are business and industry affected?

In the first place, business and industry will eventually be completely dominated by the whims and wishes of bureaucracy. The various laws are passed by Congress and put into the hands of bureaucrats. The chasm between labor and industry has been fostered by the actions of the federal government over the years. People seem to forget that industry creates jobs, that jobs create prosperity, and prosperity creates a certain amount of security.

Continual bickering between labor and business has forced upon smaller business and smaller industry programs and controls that they just can't absorb. I think that a great deal of that has been fostered by interference in the economy by a supercentralized federal government.

Can the states and communities provide, financially, the facilities they need?

They can if they have the will to do so.

Too many states are satisfied to go to the federal government with a tin cup in their hand and won't do anything for themselves. In Indiana our constitution prohibits bonded indebtedness. As a result, when we adopt a program we have to have the money to pay for it. Two years ago we had a $22 million deficit. The surplus was practically depleted. The state was broke.

Rather than depending on the federal government, we raised taxes. By so doing, we are now able—not to the full satisfaction of everyone, of course, because you never can satisfy everybody 100 per cent—to keep up with our programs.

If the governor and the state have the will to do the job, they can do it. But the people are tired of high taxes. When the governor or the state legislature asks for an increase in taxes, the people go up in arms. But they are looking in the wrong direction. They should look at the federal government because the federal government has preempted all the areas of taxation. It leaves the state administration in a pretty bad hole.

A good example: Two years ago we raised our gross income tax here. A family of five with a $5,000 income now pays $60 to the state of Indiana for all they see, feel, use or touch.

But this same family has to pay the federal government $405 in direct income taxes alone, besides all the related indirect taxes.

A married taxpayer with no children or other dependents pays $645.60 to Uncle Sam. And if he is single, the same worker pays $885.60 in federal income taxes. In either case he pays Indiana $60.

Do you see a need for tax reform in this country?

There is a definite need for tax reform.

We had a degree of tax reform on a state level two years ago when we initiated the withholding tax. We had to do this because several hundred thousand people were evading their responsibility. Now I have asked the legislature to mandate our Tax Study Commission to make a complete study of the tax structure on the local level for the next session of the legislature in 1961.

As far as the federal government is concerned, the tax picture has gotten way out of hand. It has become so oppressive to many people that it has almost destroyed incentive. Once you destroy incentive to make money, the ramifications are terrific.

Do you in Indiana fear federal intervention?

We don't fear federal intervention. Let's say there are certain areas where we don't want it, be-

(continued on page 48)



"Right now they're both tied up—but they'll be happy to discuss insurance with you in the morning."

Before tomorrow morning, one out of every three business firms could suffer a criminal loss not covered by insurance. In fact, surveys prove that over 2,500,000 businesses lack adequate protection against one or more common risks.

Yours could well be one of them. So why take chances. Ask your Ætna Casualty agent today for a complete analysis of your present insurance program and the risks to which your business is exposed. His professional methods were pioneered by Ætna Casualty. And he backs them up with his individual *personal service.*

Why not phone him? His name is listed in the yellow pages of your local directory.

* * *

Ask about Budget-Rite, Ætna Casualty's new monthly payment plan. It's simple — convenient — businesslike. Conserves working capital, too.

ÆTNA CASUALTY

Quality INSURANCE for individual, family, business, home and other possessions

Get the policies with the P.S.* *Personal Service

Ætna Casualty and Surety Company • *Affiliated with* Ætna Life Insurance Company • Standard Fire Insurance Company • Hartford 15, Conn.



At Ashland Oil & Refining Company (Ashland, Ky.), more than 20 Verifax Copiers make paper work flow faster

Kodak Verifax Bantam Copier outperforms copiers costing up to 4 times as much!



Makes 5 dry, clean, white copies in 1 minute for 2½¢ each. Verifax copies can be made on one or both sides of bond-type paper, card stock, printed office forms.



Verifax copies are accurate and complete . . . easy to read —have the look and feel of a good letterhead. And they'll last as long as any typed record, won't darken or fade.



Write with anything—you can copy ball-point, crayon—what have you—as easily as typed data. Even those purplish duplicator copies and rubber stamps are a snap to copy!



Shorten the walk– get twice the savings!

PUTTING A VERIFAX COPIER IN EVERY DEPARTMENT ENDS THOSE COSTLY "10-MINUTE WALKS" TO A DISTANT COPIER . . . SPEEDS COMMUNICATIONS INSIDE YOUR COMPANY AND OUT

Look at office copying the way systems men do: With any of today's copiers you can copy a page for about 10¢ that would cost, say, 50¢ to retype. A gross saving of 40¢. But from this you must subtract secretarial travel time to and from the copier, which can easily trim your savings in half.

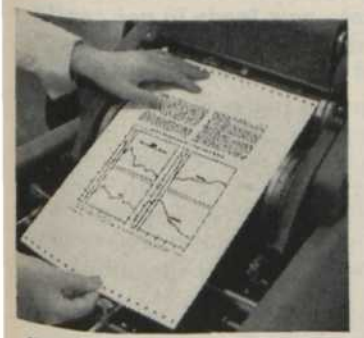
For this reason alone, it's smart business to put a $99.50 Verifax Bantam in every department. What you save on travel time alone (about 24¢ on each 10-minute trip) can pay for all your Bantam Copiers in a month or two.

Even more important, from management's standpoint, is the way paper work will be speeded. Everyone can take full advantage of all the wonderful Verifax short cuts in answering mail, commenting on reports, simplifying systems.

Fully capable—yet only $99.50! Despite its surprisingly low price, the new Bantam is a true Verifax Copier in every sense. Simple for anyone to operate. And so trim and compact you will find room for one in the smallest office.

Call in your local Verifax Dealer for a demonstration of the Verifax Bantam Copier, and an estimate of the savings possible in your company with decentralized Verifax copying. (Check "Yellow Pages" under duplicating or photocopying machines.)

Price shown is manufacturer's suggested price and is subject to change without notice.



Even makes an offset master in 1 minute for less than 20¢, with low-cost adapter. A translucent master for whiteprint or blueprint machines can also be made in 1 minute.

Verifax Copying

DOES MORE . . . COSTS LESS . . . MISSES NOTHING



MAIL COUPON TODAY

EASTMAN KODAK COMPANY, *Business Photo Methods Division*
343 State St., Rochester 4, N.Y.

Gentlemen: Send booklet describing Verifax Copiers and short cuts for boss and secretary. Also names of nearby dealers.

56-5

Name_____ Position_____

Company_____ Street_____

City_____ State_____

Kodak
TRADE MARK

NEW ROOFING MATERIAL

cuts roof repair cost



TROPIGLAS

Now, out of the research laboratory comes the most important industrial roofing material advance in 50 years—TROPIGLAS!

Made of inorganic, ageless glass fibres, Tropiglas forms a tougher, longer-lasting roof material. Blister- and rot-proof, light in weight, it lies flat instantly when rolled out to any length, *embeds* in Tropical Cold Process Roofkoter to form a one-layer, completely weather-tight roof.

Tropiglas conforms to roof contours, imposes no excess load on roof structure, is unaffected by time, temperature and weather. Unskilled labor quickly repairs or reconditions your roof with Tropiglas at little more than material cost.

OUR 76th YEAR



FREE! Write for complete information on this amazing roof material and how you will save!

TROPICAL PAINT COMPANY • 1134-1274 W. 70th St., Cleveland 2, Ohio

Heavy-Duty Maintenance Paints Since 1883



TROPICAL

DIVISION OF
PARKER RUST PROOF COMPANY



FEDERAL AID

continued

cause we feel that we can solve our problems far better. For instance, in the area of highway construction, we send almost $90 million every year to Washington in the form of excise taxes on gasoline, tires, automobiles, used parts, oil and so forth. There is only one way for us to get it back and that is to participate in the federal program. It has been in effect so long we can't unscramble the eggs, so we go along.

As for disasters, and things of that nature, we don't argue with that. The laws of nature know no state boundaries and, when disaster strikes, many states don't have that kind of money at the time. So we are willing, on a cooperative basis, to help the entire country on that.

But when it comes to education, we feel that this is the responsibility of the people of Indiana. If we can't assume that responsibility, we feel that all the safeguards of constitutional government are gone. We should face these responsibilities on a state level.

There are other areas where we feel that we should be able to do the job ourselves.

In Indiana we have been able, up to this point, to fend off certain federal programs in the hope that it will encourage other states to do the same. Federal officials talk about inflation and the national debt but they just keep piling on one program after another to send back to the states. You might as well haul down the Hoosier flag, wipe out state lines, have a supercentralized government and let bureaucracy run the country.

It happens naturally, I presume, because everybody wants something for nothing.

Your state now leads in per capita plant expansion. What are you doing that other states could copy?

In the first place, we haven't concentrated our attenion or our interests on any one segment of our economy. We work with labor, management, and agriculture. We haven't given any advantage to one over the other. We maintain a healthy tax climate.

We have, of course, the advantage that we cannot bond ourselves, so today's new industries don't pay yesterday's bills. Our tax structure isn't punitive as far as industry is concerned.

I feel that, over the years, we



from neighborhood shop to large corporation—

WHATEVER YOU DO THERE'S ONE FOR YOU

There are Burroughs adding machines in every price range, for every need.

Want the advantages of a full-keyboard adding machine? Take your pick of Burroughs models with their big choice of features, functions and capacities. Shadow touch operation. Self-repeating multiplication key. Your choice of four colors. And in electric models, instant credit balances.

Prefer a ten key? Choose from Burroughs smart-looking, smooth-running line. Choice of four smart colors. Capacities to 999,999,999.99.

Is price your biggest problem? There's a new Burroughs ten key adding machine with a new low price —but with Burroughs high quality throughout. And there's a thrifty full-keyboard hand-operated model.

Accurate, dependable, speedy and quiet, these outstanding adding machines are members of the Burroughs family of figuring and data processing equipment that extends all the way to giant electronic computer systems.

For a free demonstration, phone our nearest branch or dealer. Or write Burroughs Corporation, Burroughs Division, Detroit 32, Michigan.

Burroughs—TM

Burroughs Corporation



Architectural treatment was used in this 100 ft. clear-span Armco Building to enhance its trim lines.

ARMCO STEEL BUILDINGS SLASH CONSTRUCTION TIME AND COSTS. UNIQUE PANEL WALL CONSTRUCTION SPEEDS ERECTION, SAVES MATERIALS. FLAT WALL SURFACES ARE ATTRACTIVE . . . BLEND WELL WITH OTHER MATERIALS. SPECIAL ZINC- OR ALUMINUM-COATED STEELS ASSURE DURABILITY, LASTING GOOD APPEARANCE. ALL-STEEL CONSTRUCTION WON'T CRACK, WARP, SAG OR BURN. INTERIORS OF ARMCO BUILDINGS CAN BE INSULATED AND FINISHED IN ANY WAY. CLEAR SPANS TO 100 FEET. COMPLETE ERECTION SERVICE AND FINANCING ARRANGEMENTS AVAILABLE IF DESIRED. SEND COUPON AND FIND OUT HOW YOU CAN GET QUALITY AND ECONOMY IN ARMCO STEEL BUILDINGS.

ARMCO DRAINAGE & METAL PRODUCTS

Subsidiary of ARMCO STEEL CORPORATION

OTHER SUBSIDIARIES AND DIVISIONS: Armco Division • Sheffield Division
The National Supply Company • The Armco International Corporation
Union Wire Rope Corporation • Southwest Steel Products

New steels are born at Armco

ARMCO DRAINAGE & METAL PRODUCTS, INC.
89 Curtis Street, Middletown, Ohio
Send details about Armco Steel Buildings for the following use:

Approximate Size
Name
Company
Address
City Zone State

FINANCING ARRANGEMENTS AVAILABLE

FEDERAL AID

continued

have had fine labor and management relations. Both political parties have concentrated on bringing new industry to the state and keeping a healthy climate.

Do you have any depressed areas?

I wouldn't call them depressed areas. We have some areas that were hit pretty hard by the recession, because this is a hard-goods state. Our steel and automotive industries suffered some unusual unemployment. However, when the economy starts to bounce back, it is felt in the hard-goods industry first, so the employment moves forward a little more rapidly.

There are federal proposals to aid the economically depressed areas. What are you doing to meet these problems without federal assistance?

The biggest thing we are doing is to encourage new industry to come to the state. There is only one way to relieve conditions of that type, and that is to put industry into those areas and create jobs.

Your state budget is balanced. Do you think that other states could do this?

Yes, if they had the intestinal fortitude. There are times when political expediency and good, sound business principles do not go hand in hand. A governor sometimes has to make a choice in the interests of solvency or popularity. Many states have either a sales tax or a net income tax, and they work this tax to the limit—and then they sell bonds.

Of course, with the sale of bonds, they place future generations in debt. They keep piling up debt after debt.

Governor, you have said that in the next two years you expect personal income to advance more in Indiana than in the nation as a whole. How do you account for this?

We have many hard-goods industries. And the average wage and salary scale throughout the state is higher than in some states.

We are right in the center of much business activity. We are forging ahead in a new road program that means not only many millions spent within the state, but also a great boost to our transportation facilities. We are working

piece,
pallet
or stack

For all-purpose materials handling, fork lifts are available with 2,000, 4,000, and 6,000 lb capacities; mast heights from 9 to 20½ feet.

Fork lift: Harlo

bundle



Tiller-rake: Roseman; loader: International Wagner

nt-end loader saves lift-and-carry time on countless jobs. acities from 1,300 to 3,000 lb. Bucket may be interchanged with crane, le, or forks.

ch and excavate with heavy-duty backhoe on the rear, fill and handle loose materials with front-mounted loader.

Backhoe-loader combination: International Wagner

bulk



Handle them all

with an International Utility Tractor

Go anywhere—from in-plant pavement to soft, snowy, or muddy yard surfaces—wide, big-diameter tires on International Utility tractors assure both traction and flotation.

Save time in large yard areas, with five work-and-travel forward speeds from 1.8 to 16.5 mph—speed shuttle-type operations as much as 30 per cent with Fast Reverser unit providing six reverse speeds.

Mechanize with one power source, dozens of materials handling jobs. There's a variety of low-cost, quick-change attachments, such as fork lifts; front-end loaders with bucket, crane, or forks; mowers; backhoes; many others. You match power to job at big savings in investment costs, compared to specialized, one-job equipment!

Get proof! Ask your IH Dealer to demonstrate an International Utility tractor, 38.5, 45, or 60 hp*. For his name and free utility tractor catalog, write International Harvester Co., Dept. NB-5, P. O. Box 7333, Chicago 80, Ill.

**Maximum flywheel hp at standard sea level conditions.*

See Your...
INTERNATIONAL HARVESTER dealer

International Harvester products pay for themselves in use—Farm Tractors and Equipment . . . Twine . . . Commercial Wheel Tractors . . . Motor Trucks . . . Construction Equipment—General Office, Chicago 1, Illinois

HARTLEY ALLEY—PIX



"We have a bureaucratic government in Washington that seems to be beyond the control of the people"

FEDERAL AID

continued

hard, too, to develop a port in the northern part of the state.

With this new network of roads and with the transportation that is available, we feel more industry will come in and there will be more payrolls.

Industrial expansion went on during the 1957-58 business downturn. What do you expect for the future, Governor Handley?

Since business expansion not only continued but was somewhat accelerated during the recession, we feel that, in more prosperous years, we should see a great deal of acceleration. There will be business expansion as long as we keep our tax climate favorable, and as long as we keep a favorable attitude toward all segments of our economy rather than concentrating on one to the detriment of the others. In 1955, we got 93 new plants, 99 expansions. In 1956, we got 112 new plants, 143 expansions. In 1957, there were 118 new plants and 102 expansions. In 1958, which was considered a recession year, we had 149 new plants with 171 expansions.

And you expect this to continue?

I would say that it could even be accelerated in the future.

Do you think the people of Indiana are so eager to provide their own education that they would be willing to absorb higher taxes to pay for new facilities?

One of the reasons that we oppose federal aid is that so many of these grants are on a matching basis. We have to raise taxes to meet the grant that comes from the federal government, which in turn has to raise taxes.

We are absolutely opposed to federal aid to education because we have the means within the state to take care of school construction. We built 2,400 classrooms in the past year as against 1,500 per year asked for by the White House Conference. The average cost per classroom was $28,000. This doesn't include such projects as gymnasiums and so on. So we are handling our education on a locally controlled basis. We had to raise taxes two years ago to meet the budget requirements.

Once people understand the services they are getting in return for their tax dollar, the average individual does not mind paying taxes.

How do you account for the clamor for federal intervention in education?

I think it has been initiated by a small group of people who feel that high standards of education can only be created by or brought about by the federal government, because the federal government has, as they feel, unlimited money to spend. Perhaps, when this sentiment and feeling started, they didn't have their eyes too much on federal control of the schools, but with the bureaucracy that tends to build up in Washington, I think there may be certain groups who can see methods whereby they can get control of the educational system.

Certainly, when education is controlled on a local level, mother and dad know what their kids are being taught, and they have something to say about it. When it is controlled from a central bureaucracy, the people have nothing to say about it. I think it is for the protection of our constitutional form of government that we keep education within our local groups. It is local responsibility and not the federal government's.

Do you feel that some states must have federal help to provide adequate classrooms?

I feel that some states perhaps have limited means to do the job. But to force a centrally controlled bureaucratic system upon the entire country because a couple of states need help isn't the answer.

I won't say that some states don't need help. I will say that some states are accepting help when I feel they could do more to help themselves.

Proponents of federal aid are asserting that a great many school districts are bonded to the limit. How do you overcome this?

We have five means in Indiana. I was amazed to learn at the Governors' Conference that other governors hadn't even thought or heard of some of these methods.

One answer is this: A group of citizens creates a bonding authority, sells bonds and then leases the school building to the school corporation. These bonds are then paid off over a long period under the terms of the lease from the holding corporation.

Another answer is an accumulative building fund, whereby the school authority sets aside a certain amount of money from the tax dollar each year.

The third method is the Veterans' Memorial School Building Fund. We paid off a bonus a couple of years ago, and had a substantial fund left over. We put all the money into that kitty two years ago and are trying to build it up to a $20 million revolving fund. School corporations which cannot bond themselves or find a market for their bonds can come to the state and borrow from this fund at low interest.

Fines levied in all of the cities

(continued on page 57)



Bouquet from Mr. Big—

"Our Treasurer does a fine job of keeping close tabs on our expenses. Recently he stopped by to compliment me on asking for the little postage meter. 'Saves time and postage,' he says, 'first real postage accounting we ever had.' Saves me from being stuck, too, with slow, sloppy lick-and-stick mailing. Good deal all around!"

A postage meter prints postage as you need it for any kind or class of mail —directly on the envelope or on special gummed tape for parcel post. Prints your own small ad, if you want one, at the same time.

The meter is set by the postoffice for as much postage as you want to buy. Your postage is protected from loss, damage, misuse, and automatically accounted for. Metered mail needs less handling time in the postoffice, can often catch earlier trains and planes.

One out of 3 users of the low-cost, desk model (the DM) averages less than $1 a day for postage. Call the nearest Pitney-Bowes office for a demonstration. Or send coupon for free illustrated booklet.

Other postage meter advantages

- Meters seal as well as stamp your envelopes; most models do both simultaneously. Some also sign checks.
- Postage in the meter eliminates the need for inventories of adhesive stamps of different denominations.
- No minimum mail volume is required. And anyone can easily use a postage meter.

FREE: *Handy desk or wall chart of new postal rates with parcel post map and zone finder.*



Larger electric models stamp and seal up to 175 letters a minute.

PITNEY-BOWES

Postage Meter

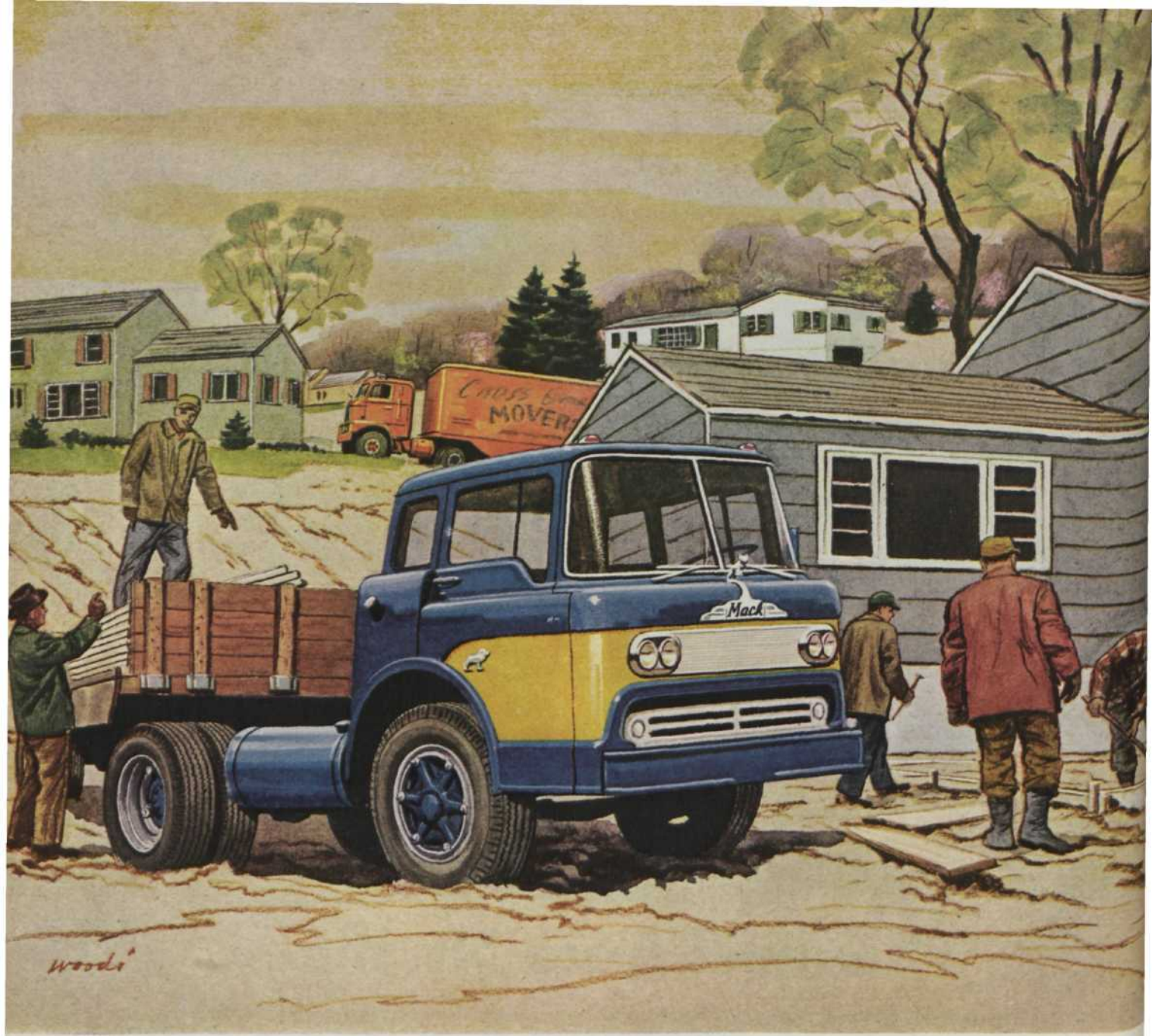
Made by the leading manufacturer of mailing machines... Offices in 121 cities. In Canada: Pitney-Bowes of Canada, Ltd., Dept. 372, 909 Yonge St., Toronto

PITNEY-BOWES, INC.
1372 Pacific St.,
Stamford, Conn.

Send free ☐ *booklet* ☐ *Postal Rate Chart to:*

*Name*_____

*Address*_____



From ground-breaking to moving-in day . . . look for Macks in action. Before it's finished, a new house can need a lot of different Macks! Big dumpers that haul in the fill . . . mixers with concrete for foundations, patios and drives . . . straight trucks with construction materials, plumbing equipment and heavy appliances. Even the moving van is headed up by a far-striding Mack highway tractor. **And after moving-in day . . . Mack dependability will continue to serve the household.** They'll be supplied by Mack trucks that haul products and produce to the local stores; they'll be transported by Mack buses and safeguarded by Mack fire engines.

Let Mack users tell you how they get

Solid Savings On Workaday Jobs



Mack truck users will tell you that Mack economy is a two-stage affair.

Stage one is during the years your Mack is new. Built to higher standards than any other truck in the U.S.A., these cost-busters trim your outlays for upkeep, fuel and parts.

But Mack savings really go into high gear at the point when other trucks need replacing. From then on you're *not* paying out for a new truck . . . and you *still* have a Mack—a unit that's on top of the job every working day in the year.

Yes, check any Mack user—big or small—in any hauling field. He'll tell you that Mack dependability and extended earning life are the factors that hold down his costs . . . run up his profits. Your Mack branch or distributor will gladly list the Mack users in your locality.

Here's what one Mack user will tell you:

"Our Macks' steady performance and constant availability allow us to get along with fewer trucks—a big saving. Macks stay in top condition for years with only routine attention—again we save money." *This is a statement by the construction company that holds the national record for highway paving: 6,029 lineal feet of concrete slab, 9" thick by 24' wide, in a single day. Name and full facts on request.*

IT'S PART OF THE LANGUAGE...

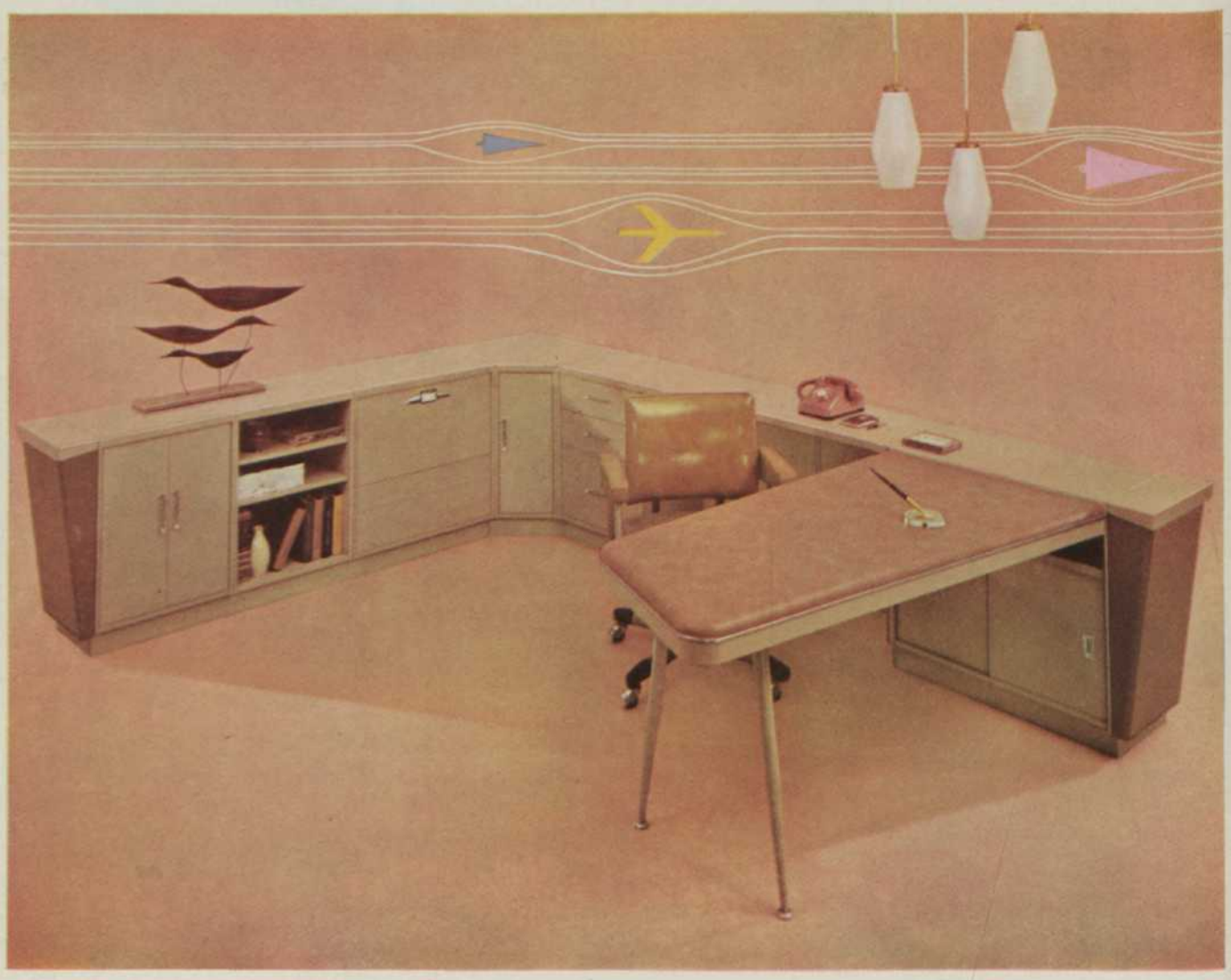


BUILT LIKE A **Mack**

MACK TRUCKS, INC., PLAINFIELD, NEW JERSEY

TRUCKS, BUSES AND FIRE APPARATUS





NEW EXEDRA *with the Tapered Touch*

Business leadership demands—and deserves—surroundings befitting the responsibility entrusted to it. The "workshops" of men of authority must do more than reflect good taste and a keen sense of the appropriate. They must be more than pleasant: they must be productive, time-saving and capable of easing heavy work loads.

Here is a *new look* and a new setting for business leadership to utilize and enjoy. It's a blend of great stylings called EXEDRA.

EXEDRA, classic in its simplicity . . . contemporary in feeling, is Y&E's latest office furniture. The name derives from ancient Greek, meaning "a place for discussion and decision."

EXEDRA with the "air-stream" styling of the Tapered Touch, pliable plastic top coverings and rich, colorful finishes can be tailored to your office, to your work problems.

Call your Y&E representative or write today for the colorful brochure "EXEDRA."

YAWMAN & ERBE MFG. CO., INC. • 1043 JAY ST. • ROCHESTER 3, N. Y.

A STERLING PRECISION CORPORATION

and towns throughout the state go into the Indiana Common School Fund, which since it was created in 1852 has grown to about $30 million. With certain safeguards, we can lend money from this state fund to communities to build schools.

And then, of course, we have direct local taxes.

But the holding corporation is the answer and that has worked effectively. We have built some beautiful schools.

Are your teachers adequately paid?

I don't think any teacher is ever adequately paid. I think the teaching profession is one of the most important in the country. We are trying to keep the salaries moving upward each session, but we still have to remember that we have other facets of state government that put demands on our income as well.

At present I think our teachers, although not paid commensurate with their worth, are paid as well as they are in other states.

In 1957-58 the average salary for all instructional personnel in Indiana schools below the university level was $4,950. Median salaries will probably average $200 higher in the current year. The average operations cost per pupil, exclusive of construction cost, is $279. The average classroom load is 28 pupils.

What, in your opinion, can businessmen do to assure local and state level solutions for pressing problems of community need?

They can become interested—as most of them do—in local problems. In so doing, they should become interested in the government of their communities as well as their state.

You would have more businessmen take part in politics?

That's the only solution.

Businessmen today are much concerned over the encroachment of government on their own business affairs. They are concerned about the encroachment of federal government into their own state and community.

There is only one way they can reverse this trend: It's to show some interest and become active within the affairs of one of the political parties—or at least become active in the civic affairs of the community and the state. **END**

Let us show you how you can make your office dictating and transcribing

50% SIMPLER



with the **MAGAZINE LOADING**

Norelco® '35'

dictating/transcribing machine

Here is a new concept in dictating/transcribing machines... engineered and guild-crafted by the company that makes world famous NORELCO Hi-Fi Components, and Electric Shavers. Five simple controls operate all dictating and transcribing functions! Tape magazine permits easy, fumble-proof loading! New, better sound assures clear voice reproduction to speed typing and prevent fatigue!

The Norelco 35's compact size, light weight and 35 minute dictating capacity make it ideal for dictation at home, in your car... or for recording important on-the-spot information in the field!

Comparison-shop the dictating machine market... you'll discover that no other machine offers so many time-saving, money-saving features... at such a modest price!

* Magazine Loading * Five Simple Controls * Extra-Long Dictating Capacity * Easy Portability * True Fidelity Sound * Re-Usable Magnetic Tape * Automatic Counter * Modern Decorator Styling * **only 179.50** (plus tax) complete with loaded magazine, log pad and dust cover, plus choice of (A) microphone/speaker, or (B) stethoscope headset with foot control, or (C) stethoscope headset with typewriter control (latter at slight additional cost).

Try the Norelco '35' in your own office and discover how much time and effort it can save you in the preparation of records, correspondence, reports, or other business paperwork. Mail coupon for a free demonstration... without obligation!

NORELCO

NORTH AMERICAN PHILIPS CO., INC. Dictating Equipment Division
230 Duffy Avenue Hicksville, Long Island, N.Y. NB-4

Gentlemen:
Yes, I am interested in finding out how the Norelco '35' dictating/transcribing machine can help make my office dictation and transcribing 50% simpler and more pleasant.

☐ Kindly send additional literature.
☐ Please arrange a free demonstration, in my office... without obligation on or about (date)_____, at (time)_____

Company_____

Address_____

City_____ Zone____ State_____

Attention of_____ Title_____

In Canada, the Norelco '35' is known as the 'Philips' dictating machine and is distributed by Philips Industries, Ltd., 116 Vanderhoof Avenue, Toronto, Ontario.

NEW ROLE FOR EXECUTIVES

Dramatic shift in business civilization will create dominant leadership responsibilities

By ELIOT D. CHAPPLE

THE PROFESSIONAL MANAGER is today the master of a corporate civilization.

Schools of business, including my own, devote their talents to producing other (and, hopefully, better) specimens of his kind. They now enroll one out of every seven students in American colleges and universities. Even the trade unionists join with men from government, education, churches and hospitals to go to business schools to learn the arts of management.

Perhaps the time has come to take stock, in the light of history, of this remarkable creation.

Is the professional manager a major invention of our modern society?

Is he the forerunner of a new society or will he disappear—one more casualty in the evolution of organizations?

What role, if any, will he play 100 years from now? What new tools will he have and how will his use of them affect society?

The chances of longevity are far better than one might think, viewed in the light of other cultures and other periods. We might not recognize the priest of Marduk in Ur of the Chaldees, 2,000 years before the birth of Christ, as job-brother to the president of General Electric or the American Telephone and Telegraph Company. Sit with him awhile in the temple courtyard, as F. H. A. Jones describes him in "Sumerian Economic Organization":

"Beside him sits the scribe, Nanna-ma-ba, with stylus and fresh clay to prepare the tablets. One after another, the priest dictates letters—to the superintendent of the receiving center at Dechem directing him to change the shipping destination of 20 sheep from sheepfold to the temple; to the overseer of the temple's southern lands whose irrigation canals are badly silted telling him to clean them out within the month of Adar; to the tenant Liballit threatening legal action for failure to repair his rented house.

"During dictation, he is often interrupted. The superintendent of the temple granary comes to report the receipt of a major shipment from the South and to complain of the dilatory work of the grain measurers and their overseer. The latter, summoned by a messenger waiting by the wall, reports the men dissatisfied with their wages. At the order of the priest, the keeper of the archives brings the record of wages paid and shows they have a case. A merchant, trading for the temple, requests a loan to finance the import of perfume.

"Each time a letter is written, the priest presses his official seal on the tablet. The scribe then makes a duplicate for the temple records. When an inventory change is made, as in the disposition of the sheep or an adjustment is made in wages, he directs the scribe to enter a change in the balances to show the effect on receipts and disbursements. A tablet records the daily entry, later to be summarized on a monthly and yearly statement and filed with the daily records in the temple archives."

Marduk and all his works have vanished under the sands of Iraq. So have the merchants of the Middle Ages, the stewards and seneschals of the great landowning lords. Books have come down to us outlining



"The manager of the future will become a leader in development of a new morality"

their managerial responsibilities. We even find job descriptions in the modern spirit in the quaint language of the translations. How does the professional manager of today differ from his brethren in the past? How can we justify our belief that there is something new under our Twentieth Century sun?

Finance, the management of capital? Banking, instruments of credit, contracts, lawsuits were all commonplace in Babylonian King Hammurabi's time.

Mass production? In Roman times, such manufacturing, using slave labor, was a basis for great fortunes.

The machine age? By 1300 A.D., the Florentines were heavily in textiles. They were even copying and selling vast quantities of imitation Chinese silk brocades. One silk mill in Bologna had, in 1407, installed machinery to do the work of 4,000 spinning women.

Breakdown of jobs, the division of labor? The woolen mills in Florence in the Fourteenth Century had 30 different operations with separate groups of operators for each.

Yet there are grounds for our belief that we are seeing the early stages of something new. The way has been prepared by the changing nature of business civilization. Most dramatic has been the shift in rank of the businessman himself, from contender for power with church and kings to sole survivor.

Whatever power plutocracy possessed in Carthage, Rome and through the Middle Ages, at the showdown it was always vulnerable to the overriding authority of church and state.

At the end of World War I the businessman had clearly won the battle over his age-old rivals. Now another stage in the evolutionary process is in motion.

In the past 30 years, particularly in the United States, the growth of the modern corporation and the consumer economy has caused the rapid disappearance of owner domination in the old style. Corporations are run by professional managers, employes of the board of directors.

The limitations on the growth of small companies imposed by taxation and the availability of money are forcing the pace. Too often an owner, finding a merger necessary, ends up himself an employe and joins the ranks of the professional managers.



"Growth of science of organization will cause major shift in our society"



"We are seeing the early stages of something new in management"

Parallel to the wide diffusion of equity, corporate growth has been accelerated by the burgeoning of a consumer economy. By contrast to the entrepreneurs of the past, and in many European countries today, money is not made primarily by selling armaments to the state or luxury items to the rich. The products of our manufacturing concerns require a host of customers. Mass consumption implies both mass production and mass distribution.

To finance this expansion, even the raising of capital for loan or equity is based on mass banking, mass insurance and mass taxation.

The job of manager has also changed immeasurably in another way. Most of the great enterprises of the past were built primarily on finance. Manufacturing, selling, technological development, even the managing of people were secondary to the art of trading.

Each merchant prince's organization had managers on the lower levels—men who ran the factories or the branch banks, supervised the mines, captained the vessels or kept the books. But success came not from competence in these areas, only from capacity to make a shrewd deal. Whether the businessman loaned his money out at 260 per cent or financed a conquest by some princeling, his predominant skill was in how to make money.

Today, success as a manager is both different and more difficult. Return on investment is still a primary consideration, but the means of achieving it are changing, probably forever. The countervailing power to free exploitation which built the business empires of the past has been the growth of governmental controls, given political effectiveness by the multiple interests of the public as consumer, producer and investor. In a consumer economy, each enterprise becomes vulnerable to the shifts in popular demand.

In consequence, specialists and specialties have grown in numbers and importance only within this century. Finance is no less important, but other aspects of management, formerly subordinate, have

ROLE FOR EXECUTIVE

continued

gained equal rank. Manufacturing, sales, advertising, law, industrial relations, personnel are the prime contenders, but with our new technology other specialties are elbowing their way to the front. Controls and data processing, marketing, public relations, engineering, and research are moving up to prominence, each with sound reasons for inclusion in the managerial armory.

As specialization grows, top management jobs are increasingly filled by specialists. Sometimes the specialist is chosen because the corporation's major problem is in his area; in a growth company a financial man with the skills to manage complex relations with banks, insurance companies and underwriters; a salesman where top management has to sell its products to the top managements of its customers.

More often, though, the mastery of a specialty brings with it habits of mind which can be applied to other fields.

The higher one goes, the greater the number of specialties which one must understand.

But today it is sometimes held that a manager no longer needs this kind of knowledge, only an acquaintanceship, a smattering of information on every subject. In business schools where the debate is pressed most actively, we try to provide an understanding of the generality, but differ radically among ourselves on whether we should teach a series of specialties thoroughly or subordinate this aim to instilling in the incipient manager a feeling for the broad approach.

Whatever the outcome of the debate in universities, the very nature of professionalism means in practice that a manager will have to master the fundamentals of the various specialties. He must be able to examine the premises of each, since no one can make effective decisions on data which he does not understand.

Cross-cutting these specialties, and in some instances intermingled with them, is another set which makes the manager what he is—the arts concerned with organization and administration. It is worth underlining the fact that these are arts since we have made little effort and given little support to research to put them on a scientific basis.

We talk of line and staff, the span of control, committee management, decentralization; we outline rules by which the manager delegates, communicates, coordinates, as if our statements were based on laws of nature comparable to those we depend on in engineering.

Just as medicine is both scientific and clinical, so is management. In medicine, however, concentration on basic research is bringing more and more diseases under scientific rule. We steadily reduce the dependence on clinical experience which characterized physicians of the past.

In business organization and administration, the clinician reigns almost undisputed.

The take-over of the professionals argues that scientific investigation will someday be fostered. Without it, control over institutions and preservation of their stability can never be attained. A manager in 2059 A.D. will have at hand technical skills the dim outlines of which we now can see emerging.

Look at his job today. Whether he is chief accountant, foreman, training director, district sales manager or president, he has to have, besides the technical know-how of the traditional specialties, a mastery of a series of administrative techniques, patterns of behavior by which he manages his relations to others to get things done. To some of them, considerable attention is paid in the literature, almost entirely on the clinical level. Executives have to supervise, a term which covers a multitude of subsidiary patterns such as delegate, issue orders, discipline, run meetings and the like. Also during the working day, they may have to negotiate, interview, train, sell, advise or consult, pass on information or make a speech. The list is by no means inclusive and the phrases are only intended to be suggestive.

Not one of these administrative patterns of behavior is confined to a single specialty such as law, finance, personnel or sales. Interviewing is done in a variety of styles for quite different purposes by foremen, controllers, engineers or the general manager as well as by members of the personnel department.

And so with the others.

Each style or subtype is capable of quite accurate and objective definition, but little systematic research has been done.

The manager of the future, then, will have been trained in the administrative specialties, have a repertoire of each and a solid grounding in how to recognize the situations in which they should be applied.

This latter knowledge, since situations are necessarily organizational in the proper sense, will be based on a science of organization and on the professional practice of organization engineering.

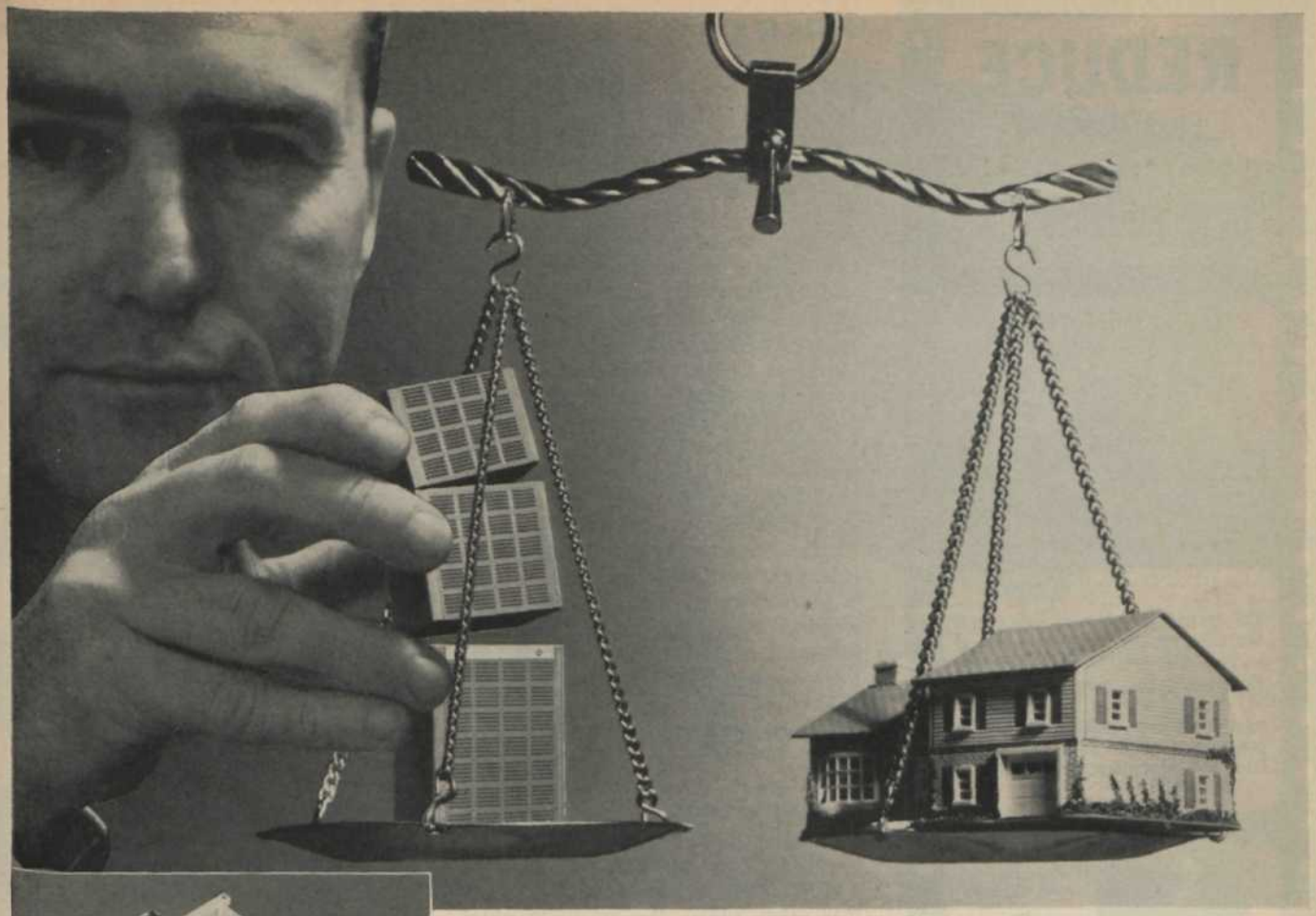
In recent times, organization has become a much-abused and misunderstood term, largely because too often we think of it as only having to do with charts, procedures and job descriptions.

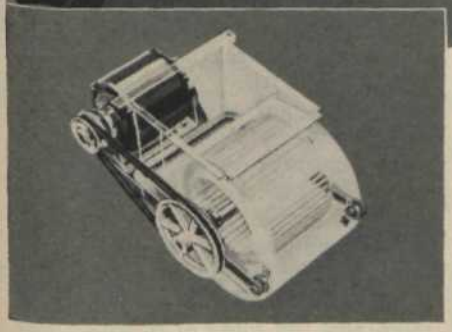
What is organization? In essence, a group of people whose relationships are mutually dependent, and thus a system. All this means is that what one does affects the other. Each of us must act in accordance with his own inner needs. When we do so, others must to some degree adjust to us and we in turn, reacting to another action, adjust as best we may. There is nothing passive in this process. Each of us represents a force with varying interactional needs which must be taken into consideration.

When people come together in an organization, the contacts in which they interact do not occur at random. What we have to do on the job orders our relationships, sets up the sequence and specifies the time and place at which the human interactions occur. Change the arrangement, keeping the same compounds (people), and a new organization, a new experiment, is under way. These work-flows are like the arrangement of tubes and beakers and piping which controls the rates at which chemical processes occur.

Time provides us the measure of the interaction. Whether the work-flows involve materials, paper or people, we know that timing is a consequence of the technical or procedural orders. They specify whom we have to see and when, they tell us where and they necessarily state how often the particular action must be taken. The accounting calendar and the administrative controls outline a framework of interaction (and activity as well) for each day, week, month, quarter and the year. Thus there is a regularity

DR. ELIOT D. CHAPPLE, *the author, is adjunct professor of management at Columbia University's Graduate School of Business. He is an anthropologist with more than 25 years' experience in business research and consulting and is president of his own consulting firm. He was the first president of the Society for Applied Anthropology and for many years edited the society's journal.*





Big Hushtone Blower runs at slower, quiet speed in sound-proofed housing; "floats" on rubber cushioning. No vibration, no hum, no other blower like it!



Blue Shield Filter has twice air-filtering capacity of other types, seals more snugly at all edges—removes more atmospheric soot, dust and pollen.

NEW LANDMARK® "COMFORT-BALANCED" AIR CONDITIONING SYSTEM

Completely new way to cool, heat and clean air—quiet, comfort, economy never before possible for homes, shops, stores, offices

Advanced design makes the Landmark a totally unique system for all-year, whole-house (or shop, office) comfort: special individually-sized components for heating, air cooling, circulation so your Lennox Comfort Craftsman can assemble the one right combination for your climate, your home or place of business.

Standing inches away from a Landmark you hear no noises. So remarkable is its air circulation principle, so skillful the Comfort Craftsman who installs it that you feel no drafts, notice no difference in temperatures between rooms. Air is far cleaner; less dusting, less cleaning, and you'll enjoy blessed relief from allergies.

Every inch of the Landmark reflects quality construction: solid outer shell; heavily insulated cabinet; aluminized steel heat exchanger, with "accordion" connections for silence, durability; the blower and filter described at the left.

Free Air Conditioning Survey. Call your Lennox Comfort Craftsman (his name is in the Yellow Pages). And send for *free* booklet "How To Select Your Heating and Air Conditioning." Write Lennox Industries Inc., 200 S. 12th Ave., Marshalltown, Iowa.

Patents Pending

LANDMARK® by LENNOX *World leader in indoor comfort for homes, business, schools*

© 1959 Lennox Industries Inc., founded 1895; Marshalltown and Des Moines, Ia.; Syracuse, N.Y.; Columbus, O.; Decatur, Ga.; Ft. Worth; Los Angeles; Salt Lake City. In Canada: Toronto, Montreal, Calgary, Vancouver, Winnipeg.

REDUCE

Business Costs
with
Procedural Microfilming®



The second principle of Procedural Microfilming (the everyday use of microfilm) is the "Moving Document Principle." This establishes a record of documents in transit without time-consuming copying as in the preparation of the daily check register and many other applications.



The FLOFILM 9600 is the only microfilm camera specifically designed for "Procedural Microfilming." **Compact** for easy, everyday use; **portable** for use in many departments; this **low cost, motorized** camera features the exclusive **film magazine** for complete **flexibility** in daily procedures.



CLIP this coupon to your letterhead for free copies of "An Introduction to Microfilm", "Manual on Procedural Microfilming" and the new "Rental Plan Folder."

Name_____

Title_____

Diebold
INCORPORATED
Flofilm Division
Dept. N-15, Norwalk, Conn.
Sales and Service Offices in
All Principle Cities

ROLE FOR EXECUTIVE

continued

in our relationships, varied to some degree by how long each contact lasts and how many are needed to keep the work-flow moving.

Here the administrative patterns are the controlling factor, varied by the differences in our personalities. When a crisis comes up or is anticipated, we again use administrative behavior to get the situation in balance. The weekly report on quality requires checking the reasons for a drop-off with a foreman; renewing the lease at the end of the year on Building 10 involves negotiating with the owner and his attorney; hiring a new assistant means a long interview. What we do and how long it lasts depends on our skills and whether the personalities involved have been upset and are reacting temperamentally.

Beyond the crises where something goes wrong—machine breakdown, late delivery, errors in control reports, absenteeism—changes are also taking place. New methods, new procedures or new personalities require a readjustment, often a reorganization, in relationships. When this takes place, the manager must use his skills to reestablish a smoothly working organization and reduce disturbance.

Externally, similar processes go on. Crises occur in relationships to other organizations with which the company is interdependent, our customers or our suppliers as well as unions, stockholders, governmental agencies, and the community. Apart from these, we may experience systematic changes in the pattern of our adaptation which require internal reorganization to compensate for what has taken place.

The manager, consequently, is concerned to maintain the stability of his organization, to restore it to its former working system after a crisis or to assist it to adapt to change. The means he has at hand are technical and administrative. His primary emphasis is on the management of the interaction of the people who have to do the job.

The science of organization which the manager of the future will possess will enable him to predict what effects on people and their relationships he can anticipate when change is introduced. From the available data he will know what steps to take to produce the most effective organization and the maximum productivity from his people.

The growth of such a science will facilitate a major shift in emphasis in our society. Even today, there are signs of a beginning.

As the professional manager consolidates his position, he will have to face in the open the moral character of his job. Decisions will be based on objective evidence, but the moral responsibility for the choice will become more evident.

In the past the codes of ethics available to guide the businessman —exemplified by the Ten Commandments—dealt with his personal relations to his fellows, completely unrelated to any organizational situation. Whether he followed moral precepts or not, the choices in what he did were fairly clear.

But now the moral situation has altered fundamentally. The religious codes which deal with personal behavior and personal indulgence touch only the periphery of the professional manager's job today.

Chester I. Barnard, former president of the New Jersey Bell Telephone Company and the Rockefeller Foundation, commented on this at a religious conference which was trying to deal with this and related problems.

"I observed," he said, "that whenever the discussion related to public or business affairs, the assumptions as to the nature of such affairs seemed to me quite unrealistic. Whenever an attempt was made to apply a moral precept, it seemed to me to be substantially irrelevant; and what seemed to me the essential moral dilemmas of business and public affairs were evidently not contemplated at all. Why? Because, I thought, the facts of business life were not available."

Mr. Barnard then points out that "adherence to organizational interest, to correct procedure" is moral since the decisions we have to make are governed by feelings of right and wrong. When problems of responsibility come up, whether they be technical, as in the case of an engineer deciding on the proper limits of safety, or administrative, as when a manager comes in on a Saturday because people are working on a special assignment, there is a moral issue.

We talk about "loyalty to the company," about the "duties" of our job, our "obligations" to others without perhaps fully realizing that we are talking about morality. Mr. Barnard emphasizes that businessmen (managers) too frequently feel at a loss when such matters are discussed, having no explicit guides.

Yet think of the moral decisions

(continued on page 67)

THE MARCHANT *transflo...*

A NEW KIND OF AUTOMATIC CALCULATOR THAT TAKES THE "BACKTRACKING" OUT OF FIGUREWORK



THIS KEY eliminates "backtracking" hand operations that eat up most of the time in multi-step figuring.

The Marchant ***transflo*** breaks through the old limits of calculator automation by means of a unique mechanism called "back transfer."

A touch of the back transfer key *instantly and in a single cycle* transfers the intermediate result in a multi-step problem back into the keyboard dials *without* the tedious re-entry of each digit by hand. There's no "backtracking" over columns of figures or through scratch-pad notations.

The Marchant ***transflo*** moves figures swiftly from dial to dial, stores them and recalls them whenever needed for any type of calculation. This unique ability creates completely new standards of operating ease, accuracy and speed. By eliminating many hand operations, the ***transflo*** reduces the chances for operator error and makes possible vastly increased figurework output.

To fully appreciate the ***transflo,*** you have to watch it perform. Get a demonstration on your own figurework by calling your nearby Marchant office. Or send the coupon for further information.

Modern Management Counts on Marchant

MARCHANT CALCULATORS
Division of SMITH-CORONA MARCHANT INC.
OAKLAND 8, CALIFORNIA

MARCHANT CALCULATORS • OAKLAND 8, CALIFORNIA
Send me more information about the new *transflo* calculator and how it can give us faster, more accurate figurework.

G-5

NAME _____

PLEASE ATTACH COUPON TO YOUR BUSINESS LETTERHEAD

Now! CERTIFIED





GREATER ECONOMY AT LOW SPEEDS

Tests showed that, driving at 30 mph, Ford Pickup Sixes had an average gas-mileage advantage of 20.2% over all other makes

GREATER ECONOMY AT SUSTAINED SPEEDS

'59 Fords average

Beat average mileage of the other leading pickup makes by 25.2% in Economy Showdown U.S.A. All tests made by independent research engineers . . . and certified!

All tests conducted and results

CERTIFIED

by America's foremost independent automotive research organization*

*NAME AVAILABLE ON REQUEST.

Send inquiry to: P. O. Box 2687
Ford Division, Ford Motor Company
Detroit 31, Michigan

● Here at last is certified proof of the differences in gas mileage between six-cylinder pickups... evidence that you can use to save hundreds of gallons of gas each year!

It was compiled by America's foremost independent automotive research firm after testing 1959 six-cylinder ½-ton pickups of the six leading makes. All trucks were bought from dealers—just as you would.

The tests paralleled every kind of driving—high speeds and low, open highways and city traffic, even door-to-door delivery. And in every test, '59 Ford Sixes delivered more miles per gallon than any other make. Here are the actual percentages:

'59 Ford Pickup Sixes gave

42.6% better mileage than make "D"
31.1% better mileage than make "I"
25.2% better mileage than make "C"
22.0% better mileage than make "S"
9.6% better mileage than make "G"

Now during DIVIDEND DAYS at your Ford Dealers– *Go FORD-WARD for Savings*

FORD

PROOF of fuel economy



Ford held its edge at higher speeds, too. At 45 mph, for instance, Ford's average advantage was 20.0%

GREATER ECONOMY IN CITY TRAFFIC

In city driving—which comes closest to matching average driving conditions—Ford's edge was a whopping 42%

25.2% over other makes

Taken together, Ford got 25.2% more miles per gallon than the average of all other leading pickups!

The complete results of the entire Economy Showdown have been gathered in a special free booklet, "New Facts About Gas Economy." In it you will see, for example, that all trucks gain their best mileage at 30 mph . . . get about 40% less mileage at 60 mph, and pay a tremendous premium in stop-go work. You'll see the standing of each make in every test. You'll learn the best time to trade your old truck for maximum fuel saving. And you'll see just how much a new Ford saves in gas—an average rate of 129 gallons a year (10,000 miles) over the other makes!

What's the secret of Ford's economy? It's quite simple, really. First, of all pickup sixes, only the Ford Six has a modern Short Stroke engine. This more efficient design reduces engine friction and thus requires less fuel. Second, to this modern engine, Ford has added a new economy carburetor . . . by metering fuel more precisely in both high and low speed ranges, it boosts gas mileage in every type of driving! And you get this Ford Six *standard* . . . no extra cost.

If you'd like to pocket the *Certified* savings of a real worker—a truck that will save from the day you drive it home—see your Ford Dealer!

TRUCKS COST LESS

less to own . . . less to run . . . last longer, too!

FREE!

12-PAGE BOOKLET . . . GIVES ALL FIGURES AND FACTS FROM ECONOMY SHOWDOWN U.S.A.

MAIL COUPON TODAY!



Ford Motor Co.
Box 2687, Dept. C,
Detroit 31, Mich.

Please send me . . . without obligation . . . "New Facts About Gas Economy."

Name_____

Address_____

City_____

Zone_____ State_____



"Blue Cross® protection meets each employee's personal needs—that's why we've had it for 20 years!"

says WILLIAM M. NOONAN, *President, Stephen F. Whitman & Son, Inc., makers of Whitman's Chocolates*

"We've always felt that hospitalization expense protection to be most effective should base benefits on the individual's need when illness comes. Blue Cross does precisely this. That's why it gives everyone here a special sense of preparedness and security. Whitman pays for employees' Blue Cross, so its low cost is welcome, too."

Blue Cross protection is exceptional, because of its realistic approach—the primary reason over 300,000 companies nationwide have chosen it.

Benefits in terms of hospital care is the aim of Blue Cross, rather than just so much per day. Blue Cross can give such real help because it works directly with hospitals. The employee simply shows his Blue Cross card when admitted to the participating hospital.

Perfect for national companies. All employees are safeguarded by one simple protection "package"—yet it's flexible to meet local needs. There's one bill. Blue Cross does the bookkeeping, handles cases directly with hospitals, cutting expense for companies.

Low cost, high dollar value. Blue Cross rates and benefits are adapted to local conditions. Every cent taken in, except for low administrative expenses, goes toward benefits. Last year, over $1,000,000,000 was paid out!

Adapts to retirement programs, can readily fit needs of any size group.

Get facts and figures from your local Blue Cross Plan, or write *Blue Cross Association, Dept. 724 at 55 East 34th St., New York 16, N.Y.*

Some of the national firms that have Blue Cross:

BENDIX AVIATION
H. J. HEINZ CO.
LIGGETT & MYERS TOBACCO CO.

Blue Cross®

® Blue Cross and symbol reg. by American Hospital Association

ROLE FOR EXECUTIVE

continued

we have to make every day. A department head has been with the company 35 years and only has five more to go before retirement at full pension. He is a major obstacle in modernizing the department though he works hard and faithfully. Stubborn, he persists in doing things his way and fights the introduction of changes which are competitively necessary. What do we do?

A chief engineer, for example, as a matter of procedure (and technical pride) insists on producing a completely detailed set of engineering drawings and blueprints for a prototype machine. Both the project engineer and the client company's engineer are violently opposed, pointing out that it is a waste of money, since substantial changes will have to be made before it can be manufactured.

Is the chief engineer's duty to reduce cost for the client, to maintain company procedures, or are such detailed drawings necessary so the client will have an absolutely accurate record?

Morality today is not simply a question of the personal ethics of the Ten Commandments. As managers, we must accept our moral responsibilities. We will be immensely aided by the development of the science of organization and administration because, with its aid, we can formulate the issues on which our moral (and professional) decisions are based.

The manager of the future will thus become a leader in the development of a new morality. As a professional, there is no way he can avoid so doing. Our society will never return to the pastoral and agricultural technology of the ancients, which conditioned the outlines of our existing system of religious ethics. Nor will the corporate revolution be reversed.

We must begin now. This does not mean that we will neglect the traditional morality of personal relations we learned in childhood. We must, however, supplement it and make it part of working ethics for a corporate civilization.

Like it or not, the professional manager will be the means by which this transformation takes place. Since he will learn to take moral responsibility knowingly for his actions as a manager, by the nature of his organizational position he will assume a similar responsibility for the society in which he believes. END



W. M. NOONAN, *Pres., Whitman & Son, Inc., says...*

"Blue Shield gives our people real help with doctor expenses—and it cuts down costly detail!"

"Time and again, Whitman employees have had the value of Blue Shield proved for them—particularly where they have faced surgery bills. By handling details and benefits direct with the employee and his doctor, Blue Shield saves us time and administrative expense."

Provides practical benefits. Nationwide, Blue Shield Plans help with doctor bills for hundreds of types of surgery, and for many medical services.

Costs are held low. Every cent paid in to any Blue Shield Plan, except for administrative expense and necessary reserves, goes to help pay members' doctor bills. Rates and benefits fit conditions locally, assuring maximum value.

Approved by doctors. Each Blue Shield Plan, is sponsored by the medical society in its area. The doctors themselves help set up the realistic Blue Shield benefits offered.

Adaptable to large and small companies. Fits welfare or retirement programs. Payment for benefits are made directly to save companies extra expense.

Get full data from your local Blue Shield Plan or write *Blue Shield Medical Care Plans, Dept. 724 at 425 North Michigan, Chicago 11, Illinois.*

Blue Shield®

®Service marks reg. by Blue Shield Medical Care Plans

GET ACTION FROM POLITICIANS

Businessmen can increase their political effectiveness by following these steps

MANY BUSINESSMEN who are adept in all other areas of human relations fail conspicuously at getting along with politicians.

This blind spot can be a serious handicap to your firm. Government activities today have a pervasive impact on business. Opening effective channels of communication with the men who run government is one of the most urgent tasks facing management.

Outlined here are several common-sense suggestions from top-flight political professionals on how you can improve your performance of this important responsibility. They fall under three general headings:

- ▶ Building good political relations.
- ▶ Influencing legislation.
- ▶ Obtaining political help in the solution of specific business problems.

Building good relations

Building good political relations requires the same patient, thoughtful attention to personal contacts that a crack salesman displays in cultivating customers, says Lyle C. Wilson, vice president and Washington manager of United Press International.

Mr. Wilson, a political writer with 32 years of Washington experience, observes that mutual ignorance causes politicians and businessmen to hold each other in contempt.

"A closer acquaintance and more personal relationship between businessmen and politicians would benefit both groups," he says. "Businessmen would learn that politicians are, on the whole, smarter and more honorable than they presently suspect. And politicians would learn that businessmen have no insatiable desire to exploit their employes and the public."

The place to begin developing political friendships, Mr. Wilson emphasizes, is at home. Never mind how many cabinet officers you've met at banquets. How well do you know your county councilmen, your state legislators, your governor, the members of your state's congressional delegation? More important, how well do they know you—and your business?

An excellent start toward good political relations can be made simply by inviting local politicians to visit your plant. Don't try to impress them with your economic power. Emphasize your contribution. Let them see for themselves what your business means to the community and to the economy of the state, in terms of employment, payroll and production. Most politicians will come away from such a visit with a much more favorable impression of you and your firm —particularly if you keep the visit strictly on a get-acquainted basis and don't start right in complaining about government policies and activities.

In cultivating local contacts, be sure to include politicians of both parties and all shades of opinion. A veteran political strategist in the Democratic party suggests that one of the greatest weaknesses of businessmen in politics is a tendency to dump all of their eggs in one basket. It is right and necessary to work for the election of candidates who most nearly reflect your viewpoint on basic issues; but it is foolish to pretend that you can simply ignore the others who may get into office in spite of your preferences. A



Acquaintance helps businessmen, politicians dispel false ideas about each other

good salesman doesn't spend all of his time calling on long-established customers who are in the bag. You cannot afford to focus all of your political friend-winning efforts on men who are already sympathetic to the business viewpoint. Moderating the opposition of a politician who seems to be antibusiness may be as important an objective as supporting one who is on your side.

Robert Humphreys, campaign director of the Republican National Committee, underscores another cardinal consideration in developing good political relations:

"Remember that politics is a highly professional field. The amateur who thinks he knows all about it is as irritating to real politicians and as ineffective as the outsider who tries to tell you how to run your business."

Mr. Humphreys believes that businessmen have been slow to grasp the fact that politics is an art that can be mastered only through firsthand experience.

"A lot of corporations coast along thinking that they can let their public relations departments handle political problems," he says. "But I've met relatively few public relations or advertising agency men who are really conversant with politics."

Mr. Humphreys suggests two solutions:

1. If your company is big enough to afford it, bring a qualified professional into management to serve as a vice president for public affairs. Several major corporations have been moving in this direction. On Mr. Humphreys' desk, at the time he was interviewed, was a letter from a well known company asking the Republican National Committee to nominate candidates for newly created jobs in a political relations department.

2. Get into practical politics yourself and encourage other members of management to do so.

"There is no better way to gain an insight into politics, and to build effective personal relationships with politicians, than to go to work for your own party," Mr. Humphreys asserts.

"But don't expect to start at the top. Remember, no matter how important you are in business, you are just a beginner in politics. Start in your own precinct, and work your way up to the city, state and national committee jobs. Call up your local party chairman and tell him you want a job. Don't be insulted if you are assigned to such tasks as taking a canvass and chauffeuring voters to the polls. Until you've done jobs like these, you aren't qualified for anything bigger."

In this connection, Mr. Humphreys notes with favor that the Chamber of Commerce of the United States has recently made available to business groups throughout the nation an "Action Course in Practical Politics." This course, built around nine workshop sessions, is designed to give managers precisely the kind of down-to-earth orientation in practical political participation that Mr. Humphreys considers of basic importance.

Influencing legislation

Business is profoundly affected by the actions of legislative bodies at the local, state and national

POLITICIANS

continued

levels. Sometimes the legislation is general in its impact on business—as, for example, tax laws, wage-hour laws, union control laws. Often, however, it may be intended to regulate (or to help) a specific industry or type of industry.

Some people have the idea that it is vaguely reprehensible for any private individual or group of individuals to try to influence legislative acts. But this is a serious error. The whole American system rests on the assumption that free citizens will defend their interests and make known their wishes to their representatives in lawmaking bodies. This is one of your rights, specifically defined in the Constitution. It is unquestionably one of your duties, as a manager who represents the interests of stockholders, employes and others who have a stake in your business.

Influencing legislation becomes reprehensible only when illicit methods are used. Backdoor lobbying tactics, including outright or thinly disguised use of bribes, may occasionally be effective in influencing legislation in machine-ruled city and county governments.

But it is political naïveté to try such tactics with the United States Congress. The number of congressmen and senators whose votes can be bought by campaign contributions or other favors is small, and their influence on national legislation is even smaller.

There are three effective ways in which you can exert a constructive influence on national legislation: by writing letters, by talking personally to members of Congress and by testifying before congressional committees.

A man who has been intimately associated with the inner workings of Congress for many years offers this tip, which applies to all three methods:

"Hold your fire until Congress takes up an issue that really affects you—and that you know something about."

Too many businessmen, this expert says, fritter away their potential influence by "rushing in with highly emotional advice on all sorts of abstract questions." They try to tell their congressman how to vote on every bill, however remote may be its effect on their own businesses. And they often betray, in their letters or testimony, that they are simply responding to a shower-down signal from a lobbying group rather than expressing a deeply felt personal conviction.

"This scattergun approach is worse than useless," says the congressional veteran. "All it will get you is a reputation as a damned nuisance."

On the other hand, you often can obtain remarkable results by presenting to Congress, simply and frankly, the facts about how a particular piece of legislation would affect your business.

You don't have to beat around the bush about the fact that you are looking out for your own interests. If it's your business that's being hurt, say so—and buttress the protest with specific figures about payrolls, costs, profits and markets.

If you can show also that your employes or the public at large will suffer, by all means do so. But don't try to build a phony case. It is much better to prove that you will be hurt than to try to establish that the proposed bill is contrary to some vaguely defined public good.

Contrary to widely held opinion, the average congressman is not hostile toward business. He knows that healthy business is vital to national welfare and is reluctant to do anything that hurts business—especially in his own state. If he does vote for bills that are harmful to business, it is often because he suspects business of crying "wolf." The only way to overcome this attitude is to follow the ancient folk axiom: "Don't holler until you're hurt."

Another general rule is: Be reasonable.

"People are forever calling on their congressmen to commit political suicide—and calling them cowards when they demur," says one veteran of the Capitol Hill wars. "When a man comes along who seems to realize that a congressman has problems, too—and that politics is the art of the possible—he is such a refreshing change that he is bound to get an attentive hearing."

Mr. Wilson puts it this way:

"Business has done itself no good in its political relations by too often resisting the inevitable. Learn to read the handwriting on the wall. If you don't like something, but it is obviously going to be thrust upon you because the public wants it, don't just stand there and squall. This posture will gain you nothing except a 'reactionary' tag that will handicap you the next time you try to gain a hearing. On the other hand, if you tell Congress, 'This bill would hurt me a little less if you'd modify these clauses in this fashion,' your chances of easing the blow are excellent."

Now, let's get down to the three specific methods of approaching Congress. Here are some pointers from experienced lawmakers and Capitol Hill reporters:

Letter-writing—Keep it simple and personal. Members of Congress have learned to recognize, and discount, the mass mail that is generated by pressure group campaigns. But they read and pay close attention to letters from back home that clearly come from the heart of the writer.

Personal contacts—Treat your senator or representative as you would a fellow business executive. Make an appointment with him at his office. Don't telephone him at home where he has no secretary to take notes. Remember that, like you, he is a busy man with many demands on his time. Be prepared to state your case succinctly, to lay out the facts in a businesslike way. Give him credit for having sense enough to understand the obvious.

Committee testimony—If legislation is coming up that affects you, write to your own congressman and tell him that you'd like an opportunity to testify before the committee handling the bill. It doesn't matter whether he's a member of

Proposals that could raise your wage costs are hot items in current Washington debate.

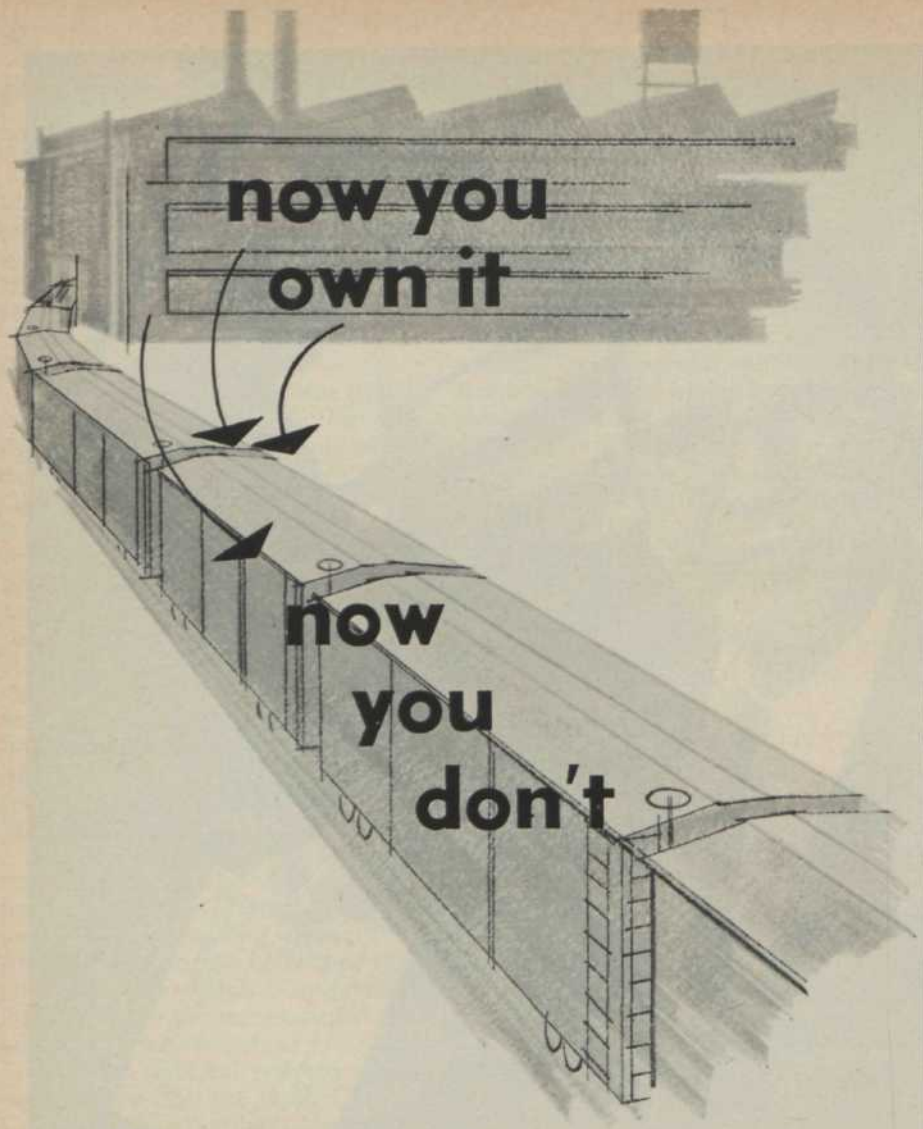
SEE PAGE 14



HENRY Z. STEINWAY, PRESIDENT, STEINWAY & SONS, PHOTOGRAPHED BY KARSH

Hits right note with telegrams: Henry Z. Steinway builds good will and sales by confirming dealer orders by Western Union Telegrams. And the telegram is a written record . . . no mistake about it!

WESTERN UNION



You insure it when you own it

...why not when you don't?

When shipment is made—title passes to the purchaser. In place of your product there is now an account receivable. It is sound to insure while you own the product . . . equally sound to insure when *your customer* owns the product, and owes *you* for it. American Credit Insurance, by protecting accounts receivable, plays a major role in good management . . . makes a basic contribution to financial security and sales progress.

SEND FOR BOOKLET on the many advantages of modern credit insurance. Write AMERICAN CREDIT INDEMNITY COMPANY of New York . . . Dept. 41, 300 St. Paul Place, Baltimore 2, Md.



Protect your investment in accounts receivable

with American Credit Insurance

ANY ACCOUNT...NO MATTER HOW GOOD...IS BETTER WITH ACI

POLITICIANS

continued

that particular committee. He can and will be glad to arrange for your appearance before any committee in whose hearings you have a legitimate interest.

Write out your statement in advance and have at least 100 copies mimeographed. One copy for each member of the committee, plus a few extras for the staff, should be delivered to the committee's offices 24 hours ahead of your scheduled testimony. The other copies are for the press and may be distributed at the press table on the day you appear, with a note or verbal request that the statement be released only when you begin to testify.

Don't make your statement any longer than necessary to cover the essential facts. Congressmen are exposed to so much oratory that they are invariably grateful for brevity by a witness.

Beware of reading a statement that was written for you by someone else, and which does not really reflect your own views. If questioning brings out that you are playing Charlie McCarthy, speaking lines that someone else put into your mouth, you can expect just about as much respect as any other dummy would get.

Be prepared for some sharp questions. They may be hostile and intended to discredit you. Or they may be motivated by a desire to help you state your case more clearly. In either event, answer them courteously and candidly. Don't let a needler cause you to lose your temper. But you don't have to be a door mat, either. You are a citizen exercising his constitutional right of petition. Most congressmen, and all members of the press, will respect you for resisting, with firmness and dignity, any attempts to bully you.

Obtaining help

Sen. A. S. (Mike) Monroney of Oklahoma, a Democrat who has demonstrated an intelligent interest in business, says the biggest mistake that businessmen make in politics is "underestimating the ability and the willingness of your congressman to help you with your problems."

"We are here to serve you," says Senator Monroney. "That may sound like Fourth of July oratory, but it is a simple fact of political life which too many business executives ignore.

"Every senator and representa-

(continued on page 81)

UNDERWOOD'S GOLDEN TOUCH CREATES
A HANDIER, LESS COSTLY ADDING MACHINE...



ELECTRIC ADDING-SUBTRACTING IN THE PALM OF YOUR HAND!

In 14 months, Underwood has introduced 5 new products to master clear-cut paperwork problems.

The phone-size, all-electric Add-Mate® has been a best-seller from the start . . . so neatly does it fit the needs of retailers, busy executives, professional men, even housewives.

By selecting universal, clear-cut paperwork problems—then seeking simpler, less costly solutions—Underwood has developed an extraordinary line of new products . . .

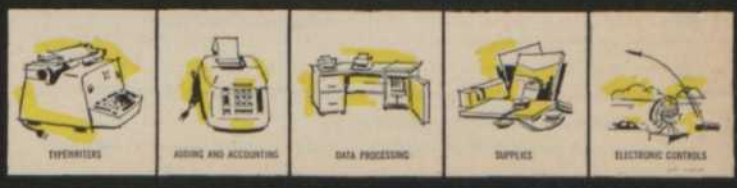
☆☆ a compact data processing "package" to cut clerical costs in any size company.

☆☆ a desk-size computer for virtually any firm employing over 100 persons.

☆☆ an electric typewriter with an entirely new keyboard design to ease typing strain.

There are more, of course, and still more on the way. For simpler, less costly ways to master paperwork, call Underwood. The advice you'll receive is based on 64 years of experience. Products are backed by over 2000 expert servicemen.

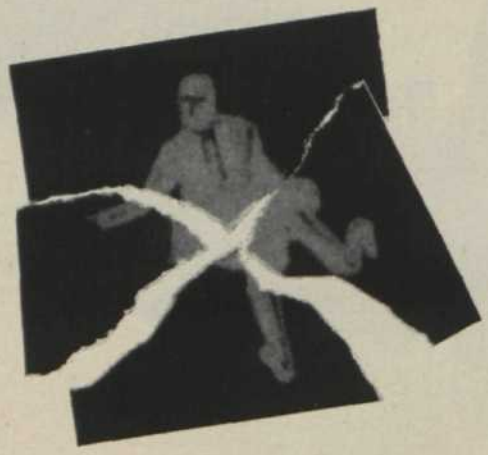
underwood



Business machines and systems to master your paperwork

WHY MEN FAIL

Key to employe failures found in study of discharged servicemen



NEW INSIGHTS into why some men fail in organizations while others succeed are revealed in a study just completed by the Conservation of Human Resources Project at Columbia University.

The study covered 750,000 men who had to be separated from the Armed Forces of U. S. in World War II because of mental or emotional defects.

The research was suggested by President Eisenhower in 1950, while he was the president of Columbia.

The study's findings have meaning for business executives and the nation at large.

The findings indicate that management cannot, through personnel selection, analysis of a man's education, or psychiatric and psychological evaluation, identify and eliminate all ineffective performers.

But the research shows some definite steps that will reduce the failure rate. They include:

1. **Purposeful orientation—to ease the problem of job adjustment.**
2. **Exercising care in making assignments and reassignments.**
3. **Using consulting and supportive services.**
4. **Preventing stressful situations from developing.**
5. **Avoiding fluctuations in organization policy, particularly personnel policy.**
6. **Dealing equitably with employes.**
7. **Planning future manpower needs—to avoid ineffectiveness that results from expediency.**

The Columbia research was headed by Dr. Eli Ginzberg, director of the Conservation of Human Resources Project. The project's effort was financially supported by a group of American corporations in the belief that the study findings would prove useful to management.

How does the study have relevance and meaning for business?

The research was not limited to how men performed in the service. It covered their performance before their military service as well as their performance after they returned to civilian jobs. The study has business pertinence, too, from the standpoint that the Army resembles other large organizations and therefore provides a laboratory for studying the performance of men in large organizations. But even smaller organizations can benefit from the conclusions.

Let's consider each of the findings in turn.

Personnel selection

Of the 18 million younger men who were screened for military service during World War II, about 5.25 million were rejected for various reasons. Of these, 1.75 million were rejected because they were considered mentally, emotionally, or morally unfit.

Although they rejected almost 30 per cent of those examined, the armed services inducted large numbers who later failed in performance for a variety of reasons. Even if the selection standards had been still higher and more had been rejected, many would still have become ineffective.

There is no way of telling how a man will react when placed in a new environment and forced to deal with new people and new problems. The more radical the change in conditions, from campus to corporation, for instance, the more likely it is that selection procedures will prove imperfect. All that an organization can hope to accomplish by selection is to balance out some poor choices with many good ones.

There is no basis for believing that more tests will lead to better results.

Education and performance

The project's staff of social scientists found that the least educated men had a rate of ineffectiveness four times greater than the best educated. Education is an indication of whether a man has the competence and skill to handle a job as well as of his ability to apply himself to his work.

But on this last point caution is



Just feed documents into new Recordak Portable and they're photographed

Introducing the Recordak *Portable* Microfilmer



READY TO TRAVEL OR STAY PUT!

Here at last is a wonderfully capable microfilmer that weighs less than an office typewriter—*just 24 lbs.* Take the Recordak Portable wherever the work is—from office to office . . . plant to plant . . . city to city.

Simple for anyone to operate. Just plug it in and you're ready to take pictures. Many unusual features—for example, who would imagine that two rolls of film could be exposed simultaneously in so trim a microfilmer?

New Portable opens door for even the smallest concerns to enjoy all the short cuts and protection which microfilming *alone* provides. At the same time, larger firms will find the new Recordak Portable a valuable adjunct to present microfilmers. Or use several Portables in decentralized microfilming.

Mail coupon today for free booklet giving full details.

"Recordak" is a trademark

RECORDAK

(Subsidiary of Eastman Kodak Company)

originator of modern microfilming—
now in its 32nd year

MAIL COUPON TODAY

RECORDAK CORPORATION
415 Madison Avenue, New York 17, N.Y. C-5

Gentlemen: Send free booklet giving details on new Recordak Portable Microfilmer

Name_____
Position_____
Company_____
Street_____
City_____ State_____

Industry can plan manpower and profit by the experience of the armed forces

needed. Some families see to it that their sons go through college. In some regions, high school graduation is still the exception. Before one draws conclusions about a man's future performance on the basis of his education, it is important to know first whether he worked for it, and second what he learned, which cannot usually be judged solely by his diploma.

Psychiatrists and psychologists

Except for the seriously ill, the facts indicate that it is impossible to predict how a man will perform on the basis of his emotional stability alone. His capacities, the pressures he faces, the leadership under which he works all play a major part in determining his performance.

A man's feelings are one thing, his performance is another. Psychiatrists and clinical psychologists cannot make really reliable judgments about the future performance of people.

Good orientation pays off

If men do not know what is expected of them; if no one tells them what is and what is not important, many are likely to become ineffective. It is not desirable to coddle men and women but it is surely sensible not to force them to cope all at once with more problems than they can handle.

The Army found that, with a little help, many men who were on the margin of ineffectiveness were able to make the grade. The most important point in this regard is to see that supervisors have some understanding of and tolerance for the newcomer. The more radical the shift a man has to make from his previous to his present environment, the more helpful sensible orientation can be.

Care in assignments

The Army was in a great rush to get its divisions trained. Inappropriate assignments resulted. Older men were frequently assigned to the infantry and the poorly educated were sometimes sent to the Signal Corps. Moreover, only one man in 20 of the large numbers who failed in their first year of service ever had a second chance. If they failed on their first assignment, they were out.

One of the advantages of large organizations is their wide range of jobs. The more they use this diversity of assignment, the more they can cut the numbers who will become ineffective. Most men can do some jobs. Few can do all.

Reduce stress, reduce failure

Only one man in five who failed in the Army ever saw combat. Another one in five served overseas in a noncombatant position. The remaining three broke down while still in the United States. Combat was the worst but by no means the only stress. In business, severe stress usually results from poor supervision.

A major challenge for management is to pick its leadership groups with care and to keep screening them to eliminate the unsatisfactory.

Supportive services

Men do not always perform at the same level, high or low. Less than one in six of those who broke in the Army had a consistent record of poor performance.

Many could undoubtedly have kept going had the Army been able or willing to offer them some modest support when they began to slip. The majority—about three out of four—of those prematurely discharged recovered after their return to civilian life.

From both a business and a national point of view, reasonable expenditures for personal, medical, income, and other counseling and supportive services will be more than repaid by the gains resulting from increased productivity.

Avoid fluctuations in policy

At certain periods of the war the Army discharged few men; at other times, a great many. At one point in 1943 it had to induct about 100,000 men to gain 5,000 in net strength. Its frequent shifts in policy did much to weaken the motivation of many soldiers to keep trying.

There is no surer way of unsettling a work force than to keep changing the rules. Frequent shifts in policy are interpreted throughout the organization as evidence that the leadership does not know what it wants or what it is doing.

Equity is important

Men perform better or worse depending on how hard they try. If they feel they are being dealt with honestly, if they know that they will be rewarded for good work and penalized for bad work, they are likely to do their best. But if they feel that those at the top are unfair or capricious, they will be indifferent and their performance will reflect this.

The larger the organization, the less can men be encouraged through personal leadership and the greater must be the reliance that is placed on equitable policies to motivate them.

In World War II many soldiers who came to believe that the Army was treating them unfairly just stopped trying. Medal winners became ineffective and had to be discharged.

Need for manpower planning

If radical fluctuations in policy are to be avoided, an organization must be able to plan ahead as to how it can cover its future requirements with the resources that are likely to be available.

The Army never was able to develop sound estimates of its future requirements and never had adequate knowledge of the manpower pool on which it had to rely. Industry has also been caught in this dilemma repeatedly.

Since manpower planning is difficult and much that needs to be known is not readily available, research is essential if the task is to be carried out effectively.

The poorer the planning, the greater the degree of ineffectiveness.

These, then, are some of the major findings that apply to business. Some may appear to be an old story. Others esoteric.

The important point to note is that they are not the result of ruminations by a group of theorists but are the hard core of a grim reality out of which this nation gained its military victory.

It would be unfortunate indeed if, having paid such a great price, we were not to profit from this experience in learning how to make better use of our manpower resources. **END**

The complete findings of this study will be assembled in "The Ineffective Soldier," a book by Dr. Eli Ginzberg and associates to be published this month by the Columbia University Press.



a NEW concept in office copying . . .

JUST "IN and OUT"

IN 1 INSTANT STEP

COPY ABSOLUTELY ANYTHING!

NOTHING LEFT OUT! EVERY COPY ERROR-PROOF, PHOTO-EXACT

Now you can copy any original—typed, printed, photographed, written or drawn—regardless of color, ink or paper—printed on one or both sides.

sensational new Apeco

READ THIS NEW FREE BOOK!

Find out how hundreds of uses in your business will pay for an APECO Auto-Stat Copymaker in just a few months

This new free book is packed with illustrations and facts that quickly point out the applications and advantages of Apeco Auto-Stat copying. Here's 10 minutes of reading that can save thousands of dollars for your business.



GET YOUR FREE BOOK

Mail is Card Today!

Via Air Mail

BUSINESS REPLY MAIL

No postage stamp necessary if mailed in the United States

FIRST CLASS PERMIT NO. 226 EVANSTON, ILL.

AMERICAN PHOTOCOPY EQUIPMENT CO.
Photocopy Division
2100 West Dempster Street
Evanston, Illinois



Styled by Charles E. Jones and Associates



Attached Air Mail Postage Paid Reply Card Will Rush Your Free Book To You!

American Photocopy Equipment Company • 2100 West Dempster Street • Evanston, Illinois

Industry can plan manpower and profit by the experience of the armed forces

needed. Some families see to it that their sons go through college. In some regions, high school graduation is still the exception. Before one draws conclusions about a man's future performance on the basis of his education, it is important to know first whether he worked for it, and second what he learned, which cannot usually be judged solely by his diploma.

Psychiatrists and psychologists

Except for the seriously ill, the facts indicate that it is impossible to predict how a man will perform on the basis of his emotional stability alone. His capacities, the pressures he faces, the leadership under which he works all play a major part in determining his performance.

A man's feelings are on his performance is anothe chiatrists and clinical psych cannot make really reliabl ments about the future perfo of people.

Good orientation pays off

If men do not know what pected of them; if no one tell what is and what is not imp many are likely to become i tive. It is not desirable to men and women but it is sensible not to force them t all at once with more problem they can handle.

The Army found that, with tle help, many men who were margin of ineffectiveness were to make the grade. The mos portant point in this regard see that supervisors have som derstanding of and tolerance fo newcomer. The more radical shift a man has to make fron previous to his present environn the more helpful sensible orien tion can be.

Care in assignments

The Army was in a great rus get its divisions trained. Inap priate assignments resulted. O men were frequently assigned the infantry and the poorly ed cated were sometimes sent to the Signal Corps. Moreover, only one man in 20 of the large numbers who failed in their first year of service ever had a second chance. If they failed on their first assignment, they were out.

One of the advantages of large organizations is their wide range of jobs. The more they use this diversity of assignment, the more they can cut the numbers who will become ineffective. Most men can do some jobs. Few can do all.

Reduce stress, reduce failure

Only one man in five who failed in the Army ever saw combat. Another one in five served overseas in a noncombatant position. The remaining three broke down while still in the United States. Combat was the worst but by no means the only stress. In business, severe stress usually results from poor

There is no surer way of unsettling a work force than to keep changing the rules. Frequent shifts in policy are interpreted throughout the organization as evidence that the leadership does not know what it wants or what it is doing.

Equity is important

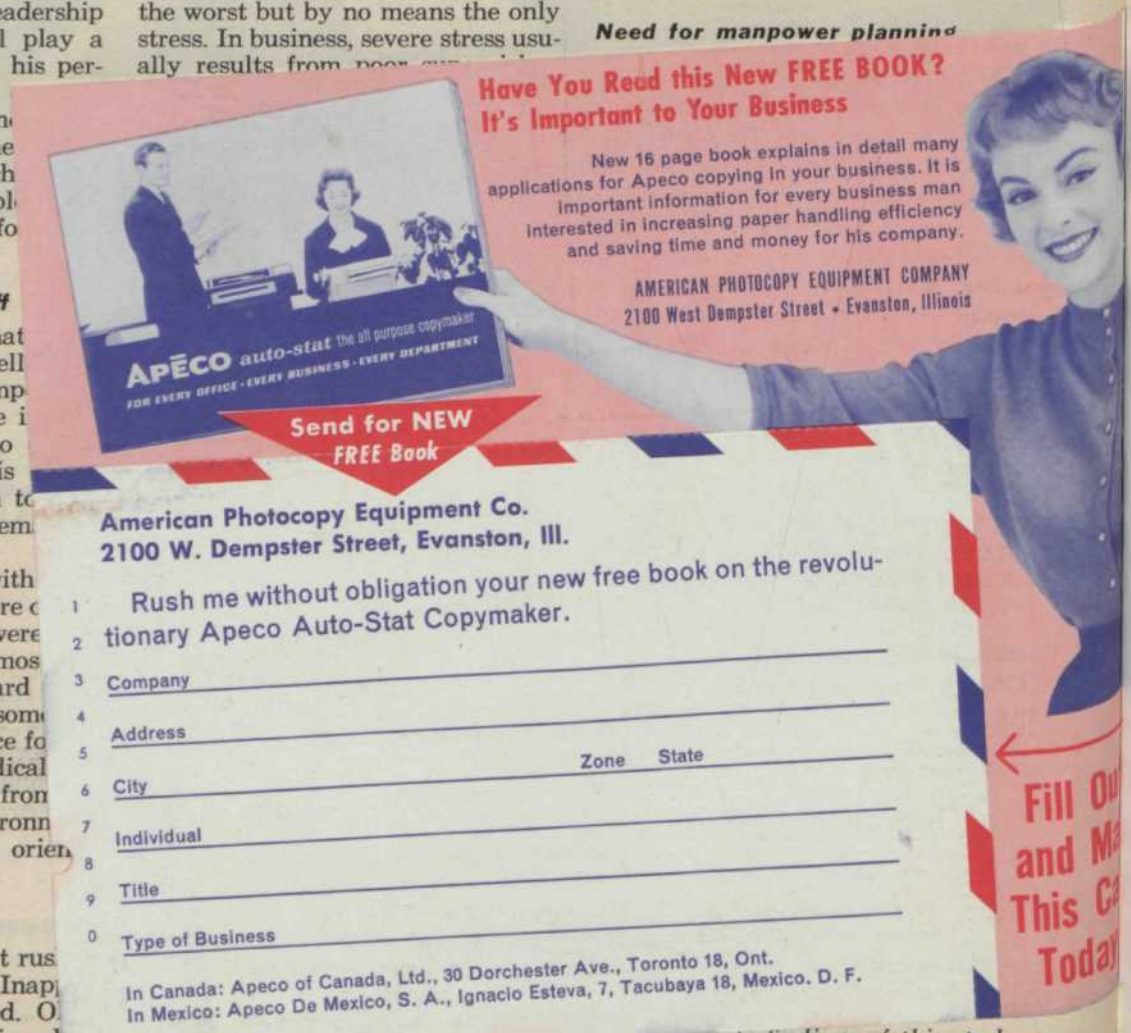
Men perform better or worse depending on how hard they try. If they feel they are being dealt with honestly, if they know that they will be rewarded for good work and penalized for bad work, they are likely to do their best. But if they feel that those at the top are unfair or capricious, they will be indifferent and their performance will reflect this.

The larger the organization, the less can men be encouraged through personal leadership and the greater must be the reliance that is placed on equitable policies to motivate them.

In World War II many soldiers who came to believe that the Army was treating them unfairly just stopped trying. Medal winners became ineffective and had to be discharged.

Need for manpower planning

The complete findings of this study will be assembled in "The Ineffective Soldier," a book by Dr. Eli Ginzberg and associates to be published this month by the Columbia University Press.





a NEW concept in office copying . . .

JUST "IN and OUT"

IN 1 INSTANT STEP

COPY ABSOLUTELY ANYTHING!



NOTHING LEFT OUT! EVERY COPY ERROR-PROOF, PHOTO-EXACT

Now you can copy any original—typed, printed, photographed, written or drawn—regardless of color, ink or paper—printed on one or both sides.

It is so easy with the sensational new Apeco Uni-Matic Auto-Stat. You just push a button . . . in goes the original and instantly out comes a perfect copy. This entirely new copymaker makes copies in half the time of any other all-purpose copying machine. So fast—you can actually reproduce over 1000 different letters, invoices, statements, receipts, contracts, etc., every day. It is a "money-saver" for any business at a price within every budget.



APECO UNI MATIC (TM) AUTO-STAT

- ALL ELECTRIC
- FULLY AUTOMATIC
- FITS ON A CORNER OF ANY DESK

Today's Biggest Values In Office Copymakers

There are three outstanding Apeco Auto-Stat models from which to choose . . . each the biggest value in its price bracket. Gives you a complete selection to most efficiently meet the copying needs of your specific type and size operation.

Styled by Charles E. Jones and Associates

Read This NEW FREE BOOK!

Find out how hundreds of uses in your business will pay for an APECO Uni-Matic Auto-Stat in just a few months.

This new free book is packed with illustrations and facts that point out the applications and advantages of Apeco Uni-Matic Auto-Stat copying. Here's 10 minutes of reading that can save thousands of dollars for your business.



Attached Air Mail Postage Paid Reply Card Will Rush Your Free Book To You!

American Photocopy Equipment Company • 2100 West Dempster Street • Evanston, Illinois

KENTILE VINYL

ON TODAY'S SMARTEST FLOORS

Color-rich Vinyl Asbestos — lowest in cost to maintain!



This attractive Kentile Vinyl Asbestos Tile Floor combines Colonial Blue and Pilgrim Gray Tile with White Feature Strip. Wall and counter base is easy-to-clean Black KenCove®.

For lasting beauty and lowest maintenance—Kentile® Marbleized Vinyl Asbestos Tile. Because it's made with vinyl, it is greaseproof and stain-resistant. Dirt and grime cannot cling to its smooth, nonporous surface. Stays beautiful with just a damp mopping and occasional light waxing. Now at your Kentile Dealer's... for just pennies more than low-cost flooring!

Choose from over 200 Decorator Colors. Kentile Floors are available in Vinyl Asbestos, Solid Vinyl, Crystalite™ Vinyl, Rubber, Cork and Asphalt Tile. Your Kentile Dealer is listed under FLOORS in the Yellow Pages.

©1959, Kentile, Inc., Brooklyn 15, N. Y.

YOU PAY NO MORE FOR A KENTILE FLOOR

POLITICIANS

continued from page 72

tive I know is delighted to have a chance to help out with a legitimate problem affecting the economy of his state."

Senator Monroney, who has served eight years in the Senate and 12 in the House, offers these tips on approching your congressman for help with a specific problem:

"You don't need a go-between. I much prefer that a businessman approach me directly rather than send a lawyer or some local politician who is supposed to have my ear. If I render a service directly to a constituent, he'll go away thinking I'm a pretty smart fellow.

"If a lawyer or agent is involved—particularly one who charges a fee for his services—he'll grab all the credit.

"Remember that a congressman isn't thinking about the last election; he's thinking about the next election. A lot of businessmen seem to think that they can't seek help from a senator or representative unless they voted for him and made a contribution to his campaign. This is a mistake. No matter how many times you've been against me in the past, I can always hope that I can convert you by showing you that I am an effective representative of your legitimate interests.

"I like to think that a businessman, even a stalwart Republican, will come out of my office saying, 'Well, I still don't like the way Monroney votes on some issues, but I must say he knows his way around Washington and he has the state's interests at heart.'

"Bring your problems to your congressman at his office, during office hours. Forget the idea that you have to wine and dine him to put him in a friendly mood. Congressmen are breakfasted, lunched and dined to death. You won't win his favor by taking him out for an expensive evening on the town. If he accepts such an invitation, he'll probably do so just to keep from offending you. Chances are he'll sit there all evening wishing he could be at home with his family, watching television or reading some of the legislative reports that have piled up on his desk." **END**

REPRINTS *of "Get Action from Politicians" may be obtained for 15 cents per copy or $10.15 per 100 postpaid from Nation's Business, 1615 H Street N.W., Washington 6, D. C. Please enclose remittance.*

One FH saves
time for several departments!

"We got a Pitney-Bowes folder in the Advertising Department to fold form letters. Then Billing began to borrow it, for invoices. Now Sales folds price lists, and Engineering spec. sheets. That little PB folder is saving a lot of time and headaches in several departments."



Hand folding is monotonous, slow, takes too much time—and is unnecessary today. The small, light, portable Model FH folds faster and more accurately, leaves girls free for more important work, saves time—and yet it costs less than a standard typewriter!

The FH will quickly, easily handle daily correspondence, with multiple pages, stapled or loose, and with odd-sized enclosures. This semi-automatic folder makes eight different folds, takes sheets as large as a 8½ by 14 inches, in most weights and finishes—at speeds up to 80 a minute. (It's even faster with optional full automatic feed). Shows big savings, even with infrequent use. Ask the nearest Pitney-Bowes office for a demonstration, no obligation. Or send for free illustrated booklet.

FREE! *Handy desk or wall chart of new postal rates with parcel post map and zone finder.*



The folder that costs less than a standard typewriter!

The larger model FM, fully automatic, can fold up to 19,000 sheets an hour.



PITNEY-BOWES
Folding & Inserting Machines

Made by the originator of the postage meter . . . offices in 121 cities.



NEW! *PB's 3300-FH combined folder-inserter folds and stuffs 500 bills, letters, etc. in envelopes in 8 minutes! By itself, the 3300 hooks onto any PB folder, or can serve as an inserter alone.*

PITNEY-BOWES, INC.
1313 Walnut St., Stamford, Conn.
Send free ☐ booklet on PB folding and inserting machines; ☐ Postal Rate Chart
Name _____
Address _____

You have lost these rights

Constitutional guarantees have no meaning when a businessman is summoned to an inquisition before an administrative agency

AMERICA IS BEING taught that violations of the economic commands of the state are more dangerous than criminal offenses.

A uniformed policeman who fails to observe due process in arresting a man suspected of a crime may bring down the wrath of a judge unconcerned with whether the officer wins or loses the case but deeply concerned with the citizen's rights.

But a businessman who displeases an administrative tribunal may be summoned to a secret inquisition. If he refuses to answer questions he may be clapped in jail—no judge, no jury, no one present but the members of the bureau and himself.

And federal laws governing businessmen are so nebulous, yet so all-encompassing, that anyone engaged in commerce can be found guilty of violating something.

Even more restraints, regulations, coercions and prohibitions are being urged in this Congress.

Those who advocate these new transgressions against the Bill of Rights are not communists or even socialists. The real work toward ultimate bureaucratic control is done by innocent zealots who are, in fact, the most outspoken critics of communism. This facility to utilize the energy of democracy against itself has many advantages for the totalitarian.

Officials and private citizens who want to tap wires, to arrest and hold incommunicado, to try in absentia, to do away with the statute of limitations, ask for the curtailment of only those rights which they feel confident they themselves will never need.

None of us ever expects to become either a communist or a corporation. So why not do away with delays to speedy justice for communists and corporations? The trouble is that tyrannous precedents established in administrative decisions not only apply to those wicked Wall Street corporations a thousand miles away but are used every day against some not-quite-so-wicked people in our own state, and even extend to the little old lady in the next block who goes to our church. And now what's this—a knock on my own front door?

By natural evolution, the series of administrative court decisions being built up in the world of commerce may provide future precedents for tyranny in any phase of a man's life. If tyranny seems too strong a word, we should remind ourselves that tyranny comes when a government agency operates under such a broad statutory command that it not only invents the means by which it carries on the duties Congress gave it, but can shape its methods to fit its own, rather than the public, end.

A principle which I have called Mason's Law applies here. This law holds that bureaucracy will arrogate to itself all power available under a statute in spite of the limitations against tyranny in the Constitution. This it will do, quietly and unobtrusively, through decisions at the lowest rung of the ladder where the issue seldom meets the public eye.

Consider what has happened since 1914 when Congress gave one agency the power to investigate, complain and also try cases. At the time Congress had no intention of creating a court at all. It thought it

This article is adapted from "The Language of Dissent," a book by Lowell Mason, former member of the Federal Trade Commission, to be published this month. Copyright by World Publishing Co., Cleveland.

was merely setting up a body of experts, trained in business affairs, who would determine whether or not certain acts or practices in commerce were unfair. It intended only to set up a Federal Trade Commission which President Wilson described in his message to Congress:

"The businessmen of the country desire something more than that the menace of legal process in these matters be made explicit and intelligible. They desire the advice and definite guidance and information which can be supplied by an administrative body, an interstate trade commission."

There was a provision that the commission could order defendants found guilty of committing unfair acts to cease and desist. It was believed that this power was strictly limited to two steps:

1. To define what acts were unfair.

2. To tell those found guilty of committing those acts to cease and desist from committing them.

The growing authority of today's Federal Trade Commission is a far cry from these two simple directives. It has not been bestowed by amendments to the Constitution nor by enactment of statutes, but is being acquired under Mason's Law. The FTC has assumed the power to try people in absentia, to order persons who have been found guilty of some unfair practices to stop other practices which are not unfair, to order parties who have not been found guilty of anything to stop doing things which were not wrong so as to correct evils committed by others.

These are but a few of the powers the Commission now uses. Other administrative agencies set up since 1914 have followed the same pattern. Our legal code has gradually been split into two parts:

One is enforced by the courts, most of which still observe the letter and the spirit of our Bill of Rights.

The other is enforced by administrative commissions which have quietly set aside the protections of liberty.

Prof. Bernard Schwartz of New York University, in his book "American Constitutional Law," indicates that the old-fashioned notion that Congress cannot delegate any part of its legislative power, except under the limitations of a prescribed standard, no longer holds true. After looking at the Home Owners Loan Act, the Federal Communications Commission Act and others, Professor Schwartz concludes, "It becomes apparent that the requirement of standards in American law has become more a matter of form than substance."

Under such a system the legality or illegality of what you do often depends, not on the words of a statute, but on the state of the collective liver of a dozen anonymous bureaucrats. Livers change and so do men. What is legal today may not be regarded as legal tomorrow and, on occasion, it may be to your advantage to admit to offenses not committed rather than shoulder the financial burden of contesting against the government when most of the cards would be stacked against you anyway.

Because the encroachments, arrogance and cruelties of bureaucracy are hidden under the government's promise of security, they are not really identified. How many people ever see a cease and desist order except the few affected by it?

But what more effective way to peaceful totalitarianism than through complete government control of the common everyday acts of all people? And what field of peacetime activity concerns nearly everybody? Business, trade and commerce. People who favor the present growth of bureaucratic power are prone to think the total state comes only through a reign of terror. They think of tyranny as the belted, booted, brutal bully in uniform.

The communists are more realistic. They know our road to the totalitarian state must be quite different. Terror and violence would be a hindrance to revolution in the West. We are ruled by precedent.

Our danger lies in the absence of the uniform rather than in its presence. The man to watch is the man in the brown tweed suit. Mild, courteous, scholarly, he has no badge, no boots, no gun, no warrant; only a little identification card in a cellophane holder, issued by an institution that is investigator, grand jury, prosecutor, petit jury, and judge.

This institution invades the citizen's fundamental rights in a manner no real court would tolerate, but when real courts are called upon to review such actions they merely shrug their judicial shoulders and look the other way.

In Ohio a deputy fire marshal sentenced a man to jail after a secret inquisitorial proceeding. The defendant was not even allowed to have counsel pres-

"If you answer **yes** to these questions— you are 40 years behind the times"

If a man's acts were not declared wrong until after he did them is he safe from punishment?

Must findings of facts against a man be based on legally acceptable evidence?

Does everyone have the right to his day in court?

Are prosecutors prohibited from acting as judges in their own cases?

Due process is to protect democracy against the blunders of its servants

ent. The Supreme Court upheld the sentence because the trial "was not a criminal trial. . . ." It was "an administrative investigation of incidents damaging to the economy. . . ."

The courts explain that Congress has told them not to bother about applying judicial tests to many of the administrative methods used by quasi-judicial bodies.

All of this unsupervised authority at the administrative court level invites a false sense of omnipotence which leads to a variety of dangers. Agencies become impressed with their own infallibility and ignore the judicial protections to liberty that courts must observe.

Are these precedents, which tend to short-cut the Bill of Rights, dangerous?

The late Mr. Justice Jackson thought they were: "A court having in mind only the civil sanctions will approve lax policies, which later are imported into criminal proceedings."

We need a serious audit to see how many liberties are being carried on our books as assets which we really do not own any more or which are heavily mortgaged. We should be suspicious of all the bragging about freedom of speech, freedom of worship, freedom of assembly, freedom to petition Congress, and the other freedoms that are on everybody's lips today.

We might ask ourselves instead:

Are there statutes of limitations which prevent a man from being charged with offenses dating so far back that he would be unable to marshal testimony in his defense?

Can government punish a man for doing something that was not declared wrong until after he did it?

Are there rules that findings of facts against a man must be based on legally acceptable evidence?

Does everyone have the right to his day in court?

Are there prohibitions against prosecutors acting as judges in their own cases?

If you believe these fundamental concepts of Anglo-American jurisprudence are the breath of life in the United States, you are 40 years behind the times.

Two climates foster the further growth of these tyrannous precedents. Justice is overmastered when the reason for its defeat is popular. And justice is overmastered when the reason for its maintenance is too complex to be capsuled into a headline.

A big wicked corporation? We need no proper evidence to find it guilty. If two companies merge, who would be their friend?

Door-to-door canvassers? Let the government search through their personal files without warrant.

Makers of patent medicine and hair tonics? Why not order them to print on their labels and advertisements all the things their medicines will not cure?

This is no place for a full recital of the short-circuiting of justice against any unpopular defendants—which, of course, means all defendants, because I never knew a popular one.

When a company is sued by the federal government — well, where there's so much smoke, there must be some fire! This being the case, few care whether a person hauled before an administrative court has the privilege of being tried by a jury or even by a judge who has made no prior tentative commitment regarding his guilt. It is much quicker and surer for the prosecutor to try a case before judges who already think they know what the defendant has done.

The tweed-suit precedents of bureaucracy are much admired by the uniformed police. If the uniformed police are permitted to operate under tweed-suit precedents, we shall have the total state overnight.

Then for the average citizen—as for the businessman today—the trappings of due process will be preserved. He will have an air-conditioned courtroom in which to plead his case, but the men who sit in judgment on him will be the men who originally complained against him. Even if the facts are on his side, bureaucracy will be against him, and one feather of government inference is worth a ton of facts. He may not be found guilty of doing anything wrong, but this does not mean that he may not be ordered to stop doing something which is right.

Perhaps he will be saved the burden of defending himself by being tried in absentia. In this event, the order entered against him will come as an unpleasant surprise. However, he may console himself with the thought that the shame is so limited, so inconspicuous, so personal and particular, that only he and no one else will care. Of course, he may protest—this constitutional guarantee of freedom of speech has not yet been reinterpreted. But his plight will diminish the effectiveness of his plea, for his voice will be that of a man already found guilty.

Though all the witnesses testified in his favor, the courts will uphold his conviction on the grounds that the witnesses should have known better.

This isn't due process. But the constant association of due process with alleged communists, kidnappers, and bank robbers degrades the high regard this basic concept of liberty and justice once commanded.

People do not realize that the Bill of Rights and due process are to protect democracy, not persons. Due process is the only way a democracy can insure itself against the blunders, the tyrannies, and the officiousness of its own employes.

—LOWELL B. MASON





...so in many cases one

Office Automation Dollar

does the work of two!

IF YOUR FIRM faces alert competition, your Office Automation Dollar is today your key business dollar—the *savingest* dollar you spend! A modest number of dollars spent for Friden automation units can bring your biggest economy—no need to budget a fortune!

All Friden equipment is relatively low in cost and individual units can be combined to meet the special work-flow needs of any type office. Start with one Friden unit, then add another and another as *each pays for itself!*

Friden automation units range from the astonishing Tape-Talk machines—the Computyper®, Flexowriter®, Teledata® and others of this group—to the brilliant Friden Calculator, *The Thinking Machine of American Business*, and Friden *Natural Way* Adding Machines.



Flexowriter® Programatic

FOR EXAMPLE—
sales orders, invoices, purchase orders up to 90% automatic

The Friden FLEXOWRITER® Programatic is one of the basic Tape-Talk machines. Flexowriter prepares *sales orders* 70% automatically from edge-punch cards or tape, and produces automatically by-product tape or tab cards, eliminating manual punching and manual verification. By-product tape actuates Flexowriter to type automatically up to 90% of *invoice*, while operator 'fills in' average of only 10%. Flexowriter provides similar advantages for other office routines.

Friden *has the system*

Automatic office operation is the Friden function — Call your Friden Man or write Friden, Inc., San Leandro, California . . . sales, instruction, service throughout U.S. and the world.

FRIDEN SILVER ANNIVERSARY • 1934-1959

© Friden, Inc.

Steel workers, now second best paid, may strike for more pay at midyear

goals. Since 1947, according to Mr. Block, profits after taxes of all industry have been reduced from 9.2 per cent to six per cent of national income, while employment costs have risen from 65 per cent to 69.9 per cent.

Last year, steel profits dropped $346 million, the largest drop in history, from $1,132 million to $786 million.

Measured as a per cent of sales, the drop was from 7.3 per cent to 6.3 per cent. Only in 1950 did steel profits equal the 1940 record of 8.1 per cent of sales.

Looking at the trend of wages, productivity, cost of living and profits from 1947 to the present, we find this:

Wages Average hourly earnings in steel have risen from $1.33 to $3.03, or 128 per cent, while total employment costs have risen from $1.56 to $3.60, or 131 per cent. The cost of fringe benefits has risen from 10 cents to 61 cents, or 500 per cent.

Productivity Output per man-hour in steel has gone from an index of 100 to 122.3, an increase of only 23.6 per cent.

Cost of living The CPI has risen from an index of 91.9 to 123.8, an increase of 34.7 per cent.

Profits Steel profits were 6.2 per cent of sales in 1947 and last year were just a shade higher, 6.3 per cent. In between, they ranged between a high of 8.1 per cent in 1950 and a low of five per cent in 1952.

Wage patterns

One of the major and most direct effects of a steel wage increase is its spread to other industries and other employers, whether or not they deal with unions.

Likely to be affected are new contract negotiations in progress or coming up later this year. These include rubber, copper mining, aluminum, shipbuilding, meat packing, railroads, and shipping.

Where there are no unions, the employer may have to match or better the steel increase to keep his employes and attract new workers.

In recent years, wage increases in steel have run far ahead of those in most other industries.

This is significant for two reasons:

First, the steel workers will not be able to claim seriously a need to catch up with wages or wage increases in other industries. Average hourly earnings in steel exceed the pay of auto workers by 28 cents, although 10 years ago steel wages lagged behind those in autos. The UAW has an increase averaging about seven cents an hour coming from major automobile manufacturers on Aug. 1 under a three-year contract signed last year. Among major industries, only soft coal miners top steel workers in wages. An increase of 80 cents a day which took effect last month pushed miners' wages up to average $3.26 an hour.

Second, pattern-following, which was accepted after the war by many employers and unions, is not as strong as it used to be. Many employers, even some dealing with the same union that set the pattern, have found that they can sometimes deviate from it in the size of increase, the form, or both.

Strikes

Despite claims by both steel management and the union that they do not want a strike, the odds are that there will be one, and it will last a month or so.

A strike, if there is one, will likely begin at midnight, June 30, when the contracts expire. There is a chance, however, that contract talks might be extended beyond that deadline as was done in automobile industry negotiations last year.

There have been five strikes in basic steel since the war, and all but one lasted for five or more weeks.

The federal government became involved in the first three, and it is unlikely that it would stay out of a steel strike this year that lasted much beyond a month.

Intervention might come from Congress, if not from the Administration.

A short strike would probably have little general impact. While it would shut down 90 per cent of steel productive capacity, most users of steel have been stockpiling supplies in anticipation of a strike, a price

DIM OUTLOOK FOR OUTPUT



A public information brochure published by the National Lighting Bureau, a non-profit organization.

Industrialists up output, businessmen sell more, teachers speed learning with Eye-Fi Relighting. **FREE** brochure contains valuable information, documented with many photographs. Mail coupon today!

NATIONAL LIGHTING BUREAU – 155 East 44 Street, New York 17, N. Y. NB559

Please send me, free, a copy of the brochure: "The answer – Eye-Fi Relighting."

Name_____ Title_____

Firm_____

Address_____

City_____ Zone____ State_____

rise, or both. Chrysler Corporation, for instance, will have enough steel on hand at the end of June to produce all 1959 car models and make 1960 models for 45 days.

Shortages of particular kinds of steel might develop quickly and there might easily be individual cases of hardship.

There are strong factors both for and against a strike.

Weighing against a strike are these:

► Workers who have suffered layoffs and short work weeks will not relish a strike. Steel employment of hourly workers during the second half of 1958 was 418,000, or 100,000 below the 1955 average. Strikers would lose unemployment compensation and supplemental benefits they would otherwise get during a layoff.

► The United Steelworkers Union has no strike fund. Some assistance is given to needy strikers on a local basis out of general union funds. Union treasuries already have been hit hard by loss of dues through unemployment. Steel union membership dropped 300,000 to about 930,000 last year. The union claims 201,000 members were still unemployed last month.

► The threat of government action which might lead to permanent regulation of the industry's price-wage relationships.

Factors pointing to a strike:

► The industry's determination to hold any wage increase within the limits of increased productivity so as to avoid a price increase which would not hurt the economy.

► The size of steel stockpiles, which minimizes pressure on the industry to yield to union demands. Production will likely be cut back, and layoffs occur, even without a strike.

These were the previous strikes:

1946—Six weeks. A fact-finding panel was appointed by President Truman.

1949—Six weeks. Another Truman fact-finding panel on pension issue.

1952—Eight weeks, on union shop issue. President Truman seized the mills to enforce decision of Wage Stabilization Board; Supreme Court declared seizure illegal.

1955—One day. Strike got under way as settlement was imminent.

1956—Five weeks.

Jobs

Hourly paid jobs in steel are being reduced as improved machinery and automation increase the need for technical, professional and other white-collar workers. This is one reason the union is building up its efforts to organize office, professional and technical employes in steel.

Jobs are also being lost as rising costs make American steel less competitive with foreign products and result in a rise in imports and drop in exports.

Last year steel imports rose to near-record levels, even though steel imports normally rise only when steel is tight in the United States. Steel imports increased about 30 per cent over 1957, while exports decreased 25 per cent. Some European and Japanese steel is entering American ports at prices below our own costs.

A jobber in Dayton can obtain barbed wire made in Dusseldorf, Germany, for $40 a ton less than it would cost him to buy a similar order from U. S. Steel in Cleveland, some 200 miles away, according to R. Conrad Cooper, executive vice president of U. S. Steel, who is heading up the industry's negotiating team.

Here is how imports of steel-mill products have risen and exports have fallen:

	Exports	Imports
	(in million tons)	
1954	2.6	.8
1955	4.9	1.0
1956	4.2	1.3
1957	5.2	1.2
1958	2.7	1.7

There is a difference in costs, and most of it is caused by higher U. S. wages. An American steel worker, for instance, has received more in wage increases since 1950 than the total of his German counterpart.

Here is a comparison of the average hourly wages and total employment costs in steel for 1957:

	Estimated total employment costs per hour	*Average hourly earnings*	*Per cent of U. S. hourly earnings*
United States	$3.22	$2.92	—
Luxembourg	1.29	.89	30%
United Kingdom	.90	.81	28
Belgium	1.04	.78	27
West Germany	1.00	.68	23
Japan	.46	.41	14

Government control

The steel industry and union have been admonished, both directly and indirectly, by public officials to have

PROFITS OR LOSSES?



This booklet has been prepared by the National Wiring Bureau, a non-profit organization dedicated to better understanding and utilization of the benefits of electricity.

Get **FREE** brochure showing how alert businessmen are increasing business and profits through better use of electricity. Dozens of actual case histories – over 75 photographs. Mail coupon today!

NATIONAL WIRING BUREAU – 155 East 44 Street, New York 17, N. Y. NB559

Please send me, free, a copy of the brochure: "The Big Difference Is PLANNED PROFIT POWER."

Name _____ Title _____

Firm _____

Address _____

City _____ Zone _____ State _____

Easier than you realize!

air-conditioning your home with an all NEW year 'round



JANITROL® *WIN·SUM·MATIC*

That's because Win-Sum-Matic combines powerful *waterless* cooling (no plumbing or water expense!) and thrifty gas heating . . . is easily linked to your present duct system . . . fits in little as 3 3/5 sq. ft. And to top it off, your Janitrol dealer will install your Win-Sum-Matic system for no money down and easy monthly terms! Don't wait. The best years of your life are ahead with WIN-SUM-MATIC. Call your Janitrol dealer soon.



JANITROL HEATING AND AIR CONDITIONING DIVISION
SURFACE COMBUSTION CORPORATION
COLUMBUS 16, OHIO
In Canada: Moffats, Ltd., Toronto 15

TRUCK USERS! *here's how to "OWN" your trucks worry free!* / **nationaLease!**



LEASE . . . for Profit!

Use **nationalease**, the preferred service that doesn't add to your costs . . . but saves. Saves unproductive capital and management time now spent on your trucks. When you lease a CHEVROLET . . . or other fine truck . . . from the experienced independent **nationalease** firm in your area, you are assured an arrangement which ably meets your local service and equipment needs.

Write us for the name of the **nationalease** company in your area, and descriptive brochure.

nationaLease

NATIONAL TRUCK LEASING SYSTEM
Serving principal cities of the United States, Canada and Puerto Rico
23 E. JACKSON BLVD., SUITE E-5 · CHICAGO 4, ILLINOIS

STEEL WAGES
continued

regard for the public interest in their coming wage settlement.

President Eisenhower has warned that the Administration might have to do "something" if the nation does not discipline itself with regard to inflationary pressures. He also says he wants to avoid price and wage controls which would lead to the end of our free economy.

The President has set up two committees to study the wage-price situation, and they will be watching coming developments in steel. One is the Cabinet Committee on Price Stability for Economic Growth, headed by Vice President Richard M. Nixon. Steel developments will be near the top of its agenda.

The other is the Committee on Government Activities Affecting Prices and Costs, headed by Raymond J. Saulnier, chairman of the President's Council of Economic Advisers. It includes second-echelon officials of government departments and agencies. Its function: seeing that the government itself does not upset reasonable price stability.

Committees of Congress are also deeply concerned with inflationary pressures. Congress has before it specific proposals for influencing or controlling wages and prices. The Joint Economic Committee has received a $200,000 appropriation to study inflation and economic growth.

The Senate Committee on Antitrust and Monopoly, headed by Sen. Estes Kefauver, Democrat of Tennessee, has concerned itself for years with so-called administered prices, and now is considering a specific bill to influence price-setting by dominant corporations.

Hearings began just a few days ago on a bill by Sen. Joseph C. O'Mahoney, Democrat of Wyoming. This bill would require corporations with total capital of more than $10 million, in an industry where half or more of annual sales are made by fewer than nine corporations, to file proposed price increases with the FTC.

The price increase could not go into effect for 30 days, during which the FTC would hold public hearings. The commission could publicize the proposed price increase and information disclosed at the hearings, but could not upset them officially. It would submit reports to Congress from time to time on price stability.

The House Government Operations Committee has already held hearings on a somewhat similar pro-

posal by Rep. Henry S. Reuss, Democrat of Wisconsin. The Reuss plan would require the Council of Economic Advisers to hold hearings on proposed wage and price boosts in major industries and issue advisory findings when the proposed increases appear to threaten economic stability.

Both the O'Mahoney and Reuss plans would put pressure on business to forego price increases.

Senator Kefauver has introduced a bill, with more than 20 co-sponsors, to establish a Department of Consumers for the purpose of obtaining "effective representation" for consumers in federal activities.

This department would not have control powers, at least not in its original concept, but would have fact-gathering authority which could be used against business interests.

Sen. Richard L. Neuberger, Democrat of Oregon, has introduced a bill which would set up standby price, wage and rent controls.

Senator Kefauver has warned the steel industry and union that they may be bargaining for the last time without government controls. His plea that the steel wage increase be no more than the rise in productivity—usually figured at an average of 2.5 per cent a year—brought a sharp retort from USW President David J. McDonald to mind his own business.

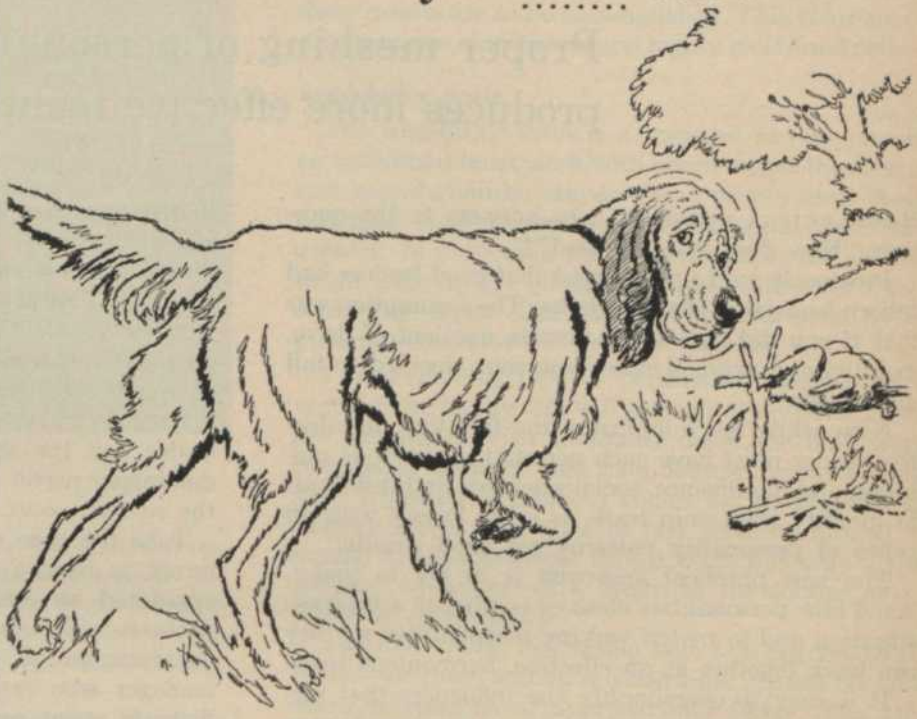
Actually, there is no sound reason why the employes, and particularly the hourly employes, should get all of the benefit of higher productivity. Ideally, it should be shared as well by other economic groups who contribute to rising productivity—by other employes and management in pay increases, by investors in higher dividends, and by customers and consumers in lower prices.

A warning by Sen. Wayne L. Morse, Democrat of Oregon, on the Senate floor seems to sum up the feeling of some in Congress.

"Whenever we find any major industry—whether it be the steel industry, the oil industry, or any other major industry—having such a tremendous influence on the economy as a whole, it is the duty of government to impose those minimum checks necessary to stop that kind of exploitation," Senator Morse said. "Here is an industry [steel] that should be regulated by government in the national interest."

Considering the growing strength of so-called liberals and organized labor in Congress, this could be more than idle talk in the not distant future. **END**

"I'm sure too late for that one!"



DODGE REPORTS help you time your calls to reach live prospects

In the new construction market, the game, in the shape of a business opportunity, is here today... and gone tomorrow. That's why leading firms supply their salesmen with *Dodge Reports* – to make sure they're on the spot when things are happening.

Dodge Reports – mailed direct to your salesmen daily – tell them who's going to build what and where. You specify the types of construction you want reported and the area you want covered (in all or any part of the 37 eastern states where you do business). *Dodge Reports* provide information about whom to see... when bids are wanted... even who else is bidding. And *Dodge Reports* follow up with vital facts – as they develop – until the final contract is let.

Learn how Dodge can lead your salesmen to *live, profitable* prospects ... put an end to expensive trial-and-error sales calls... make the most out of every selling day.

SEND FOR FREE BOOK

F. W. Dodge Corporation, Construction News Division
119 West 40th Street, New York 18, N.Y., Dept. NB59

Send me the book "Dodge Reports – How to Use Them Effectively" and let me see some typical Dodge Reports for my area. I am interested in the general markets checked below.

☐ House Construction ☐ General Building
☐ Engineering Projects (Heavy Construction)

Area_____
Name_____
Company_____
Address_____
City_____ Zone_____ State_____



Dodge Reports
For Timed Selling
to the Construction Industry

Match *leaders* to followers

Proper meshing of personalities produces more effective teamwork

RESEARCH IS BRINGING new answers to the question, "How does a leader lead?"

Previously we have assumed that good leaders had inborn leadership characteristics. The assumption was that if you did not have a certain quotient of drive, mobility and aggressiveness you were doomed to fail as a leader.

Now, while not minimizing the fact that an effective leader must have such personal qualities as ambition and intelligence, social scientists find it difficult to identify leadership traits as such. People with all types of personality patterns get good results.

The new practical approach is to try to understand how personalities mesh or conflict in a business situation and to match varying personalities so they can work together as an effective, harmonious team.

It is easy to oversimplify the influences that motivate people because each of us, as a unique human being, shows a different behavior pattern. However, many of our needs and hungers cannot be satisfied on the job and hence are not of practical importance to the operating executive. The one influence on which we can clearly come to focus in the job situation is the desire for ego-recognition, the hunger in each of us to be liked and wanted, to feel worth while and important and to believe that we are making a contribution in the work we do.

By knowing the people with whom he works and what they need to feel worth while in their own right, the manager can help them satisfy their own egos and, in so doing, multiply his own feeling of importance by helping others to grow and to achieve.

Two tools are available to help him in this task:

- The dominance scale.
- The sociability scale.

Measuring his people against these scales should help the manager to assign both leaders and workers to groups where they can work most effectively.

Dominance scale

This scale measures the degree to which an individual must dominate others if he is to find satisfaction in his relationships. In every business group we find a shifting of status and authority as individuals try to discover whom they can boss and from whom they will have to take orders. If an individual cannot find a place which satisfies his need, he will become frustrated, cause trouble or try to leave the group.

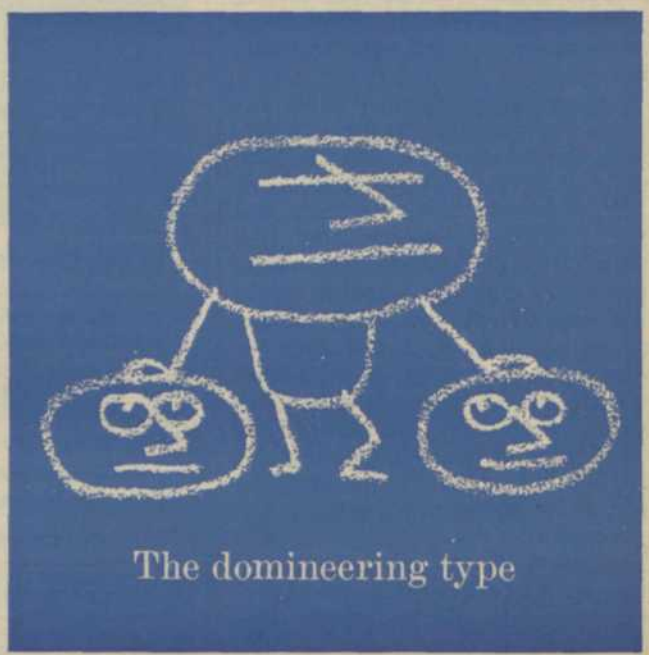
The manager who understands this natural tendency will carefully define the responsibility and authority of each of his subordinates. This will minimize any inclination to power politics and to playing to the throne. What is more, he will hold periodic group discussions of authority limits. This will help each team member to identify clearly the area where he can operate freely and also alert him when he is in danger of overstepping his authority.

Because he is given formal authority, the group leader has the greatest opportunity to satisfy his dominance needs. However, even here subtle shifts in the pattern occur.

Take the case of one accounting head, who preferred to receive orders rather than give them. He appointed an assistant manager, who screened all contacts with subordinates and actually made most decisions for his chief. In another instance, a sales manager who supervised 12 widely separated sales districts spent practically all his time visiting his district managers. He constantly deplored the weakness of these managers. However, the fact that he wanted to be on the spot to make most of the decisions was at the root of the matter. Managers lacked opportunity to develop decision-making muscles.

On the dominance scale, most people will fit into one or another of three categories.

The domineering type is the individual who must be in a position of command over others if he is to be



The domineering type



The submissive type

happy. Whenever he can, he will grasp or create opportunities to dominate others and will assume authority even if it is not given to him. Sometimes he will form his own clique—with himself as leader—to gain this feeling of dominance. He may even contest the authority of his superior.

When a domineering type is a leader, he tends to make most of the decisions. He makes it clear that only the most routine action is to be undertaken independently unless he is consulted.

It is significant that the authoritarian leader is not a good planner. The prime reason is that he wants to dictate each step taken toward whatever goals he has set and even an outstanding person can never see much beyond one step ahead for all of his subordinates.

For much the same reason, the autocrat tends to control by personal observation. He wants to see what is going on and to check up in person. As a result, he must keep a tight rein on his operation.

The submissive type is the individual who shies away from making decisions. He avoids authority and looks to others for guidance. He is happiest as a follower. Usually he has little initiative and rarely originates group activities.

In a leadership position, the submissive type tends to rely heavily on policies, rules and precedent. Instead of making an independent decision himself, he prefers to call upon established authority. Because he lacks aggressiveness and initiative, he tends to be a poor communicator. Information leaks from him and rarely issues in a steady flow.

The integrated type at the middle of the dominance scale has adjusted to his authority needs so that he can act effectively whether giving orders or receiving them. He is not burdened by feelings of inferiority which he must satisfy by demonstrating power over others.

The integrated type encourages participation and group action in making decisions. He attempts to draw ideas from members of the team. When things go well, he is quick to praise the group as a whole. In group decisions, he tends to act as a conciliator, examining and reconciling opposing points of view. He will mix well with most other types.

An integrated leader spells out the results he expects, but avoids giving specific directions as to how those results are to be accomplished. This gives greatest assurance of initiative and highly motivated action.

Sociability scale

The sociability scale is a measure of how closely an individual must work with others to get the esteem and approbation he craves. Some people must be in constant, close association. Others prefer minimum contact. Most people fall somewhere in the middle range and can get along quite well with most other sociability types. The potential trouble spots lie in putting persons at the extreme together.

The gregarious type of personality must be in a crowd to be happy. He will pop out of his office every few minutes to visit somebody down the hall, more because he wants to chat than because he has a problem. When an assignment comes up, he is quick to suggest that a committee or task force be formed to handle it. On a business trip, it takes him only a few minutes to be one of a group in the lounge or to strike up a friendship.

The underlying motivation here is a psychological hunger for close, mutual relationships. He needs many overt expressions of approval and liking. The gregarious individual must have constant evidence he is liked, or he is unhappy.

The reactions of the gregarious type in a team position are characteristic. If a decision has to be reached, he tends to find out which way the wind is blowing, then to blow strongly with it. He will do almost anything to be liked and is constantly alert to the varying tides of group opinion.

As a leader, the gregarious type tends to stress hu-



Extremes will clash

man relations. He is usually friendly and informal with his team. However, there often is a feeling that he is insincere—that he is manipulating people—primarily to get them to do what he wants and not because he is sincerely interested in them. He tends to be an excellent communicator and will move information along quickly.

The aloof type is at the other extreme of the sociability scale. This is the team worker who is usually characterized as the lone wolf or cold fish. He prefers to maintain his distance, to avoid emotional entanglements. He is highly self-sufficient, likes to be independent, and prefers to work by himself.

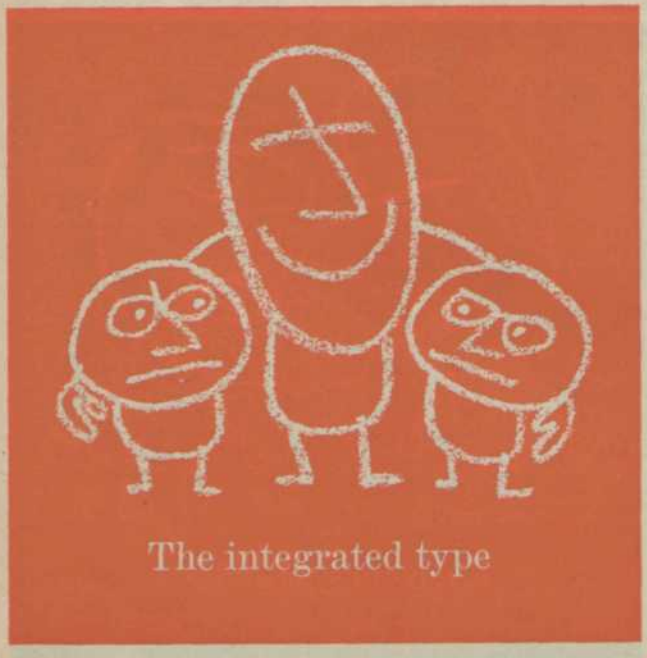
When a group decision is needed, the aloof person will, characteristically, look at the logical content of the decision and make up his mind on what he thinks is best from that standpoint alone. He will often overlook the feelings of the people involved.

As a result, his viewpoint may be the dissenting vote, or negative view, that tests the conclusions of everybody else participating in the decision. He will stand up for what he thinks is right under considerable opposition.

The integrated type, at mid-point on the sociability scale, includes most people working in a team situation. They range from fairly well to extremely well integrated in their need to work closely with others. They are capable of working in a close group situation or by themselves, as the occasion demands.

The integrated leader is mature. He has learned that he can win recognition and advancement most surely through gaining recognition and advancement for his team. He understands that a leader can lead only to the extent his followers are willing to follow. The integrated leader establishes close personal contact with members of his team, but this is from interest and a desire to help them in their work; not because he has to be close to people to feel worth while.

If you are alert for such personality traits as these you may take positive steps to avoid many potential trouble spots.



The integrated type

As a start, a little self-analysis will enable you to identify your own personality pattern as well as the personalities of your subordinates. If you tend to be domineering, the best corrective is to learn how to delegate. So the first step is to get a clear-cut charter from your boss as to what results he expects of you and what responsibility and authority he has delegated to you.

Next, identify those parts of your job which only you can perform. These should be concentrated largely in the planning, organizing, leading and controlling areas. Make consistent efforts to delegate everything you possibly can except initiation and final decision in these four non-delegable management functions.

If you are the submissive type, you can gain status and assurance by becoming master of a specialized skill, or a specialized field of knowledge. Being an expert gives you the authority of knowledge, one of the most potent self-esteem builders available. You can make other practical moves by becoming better acquainted with others on the team. This may run counter to your natural tendency, but keep in mind that people respond most quickly to those fellow-workers they best know and understand.

As we try to match leaders and followers according to the dominance scale we must first keep in mind that like personalities repel each other.

Several domineering individuals on the same team spell trouble. As Dr. William C. Schutz of Harvard University points out on the basis of his extensive research in interpersonal behavior, people who need to dominate will compete with one another in a team situation. There will be conflict, says Dr. Schutz, "between two persons who want to run the activities but do not want to be told what to do." Individuals who strive to exercise authority in the same situation will lose all sight of the team objectives in their individual rivalries, with resulting loss to all concerned.

A domineering individual typically hungers for command but often he does not want the responsibilities of being the boss. In this case he may become the informal leader. He will give commands and directions to as many people as will pay attention to him, and often be perfectly happy in the process.

A manager can often give such an individual opportunity for expression without abdicating his own position. Work teams are a ready answer. Assigning a demanding project to a task force of three or four carefully selected individuals with a domineering type in charge may yield surprisingly good results. If you use the work-team approach, be sure to set objectives and performance standards high; the dominant individual will put his heart into reaching even the most difficult target. If he has ability, he is likely to carry his teammates a good part of the way with him.

It is well to note that a domineering individual often has trouble in a staff role. He finds it difficult to restrict himself to advice and service—but when he throws his weight around beyond his assigned authority limits, he runs head-on into his opposite line numbers. Here again a clear understanding of their proper relationships by all concerned will help eliminate incipient difficulties.

What kind of followers can the dominant individual lead most effectively? His best bet is on a preponderance of submissive types. He also gets good results from trainees, who are in no position to question his authority. Put him in command of a newly organized or loosely structured group and he will quickly inject the unity and drive necessary to effective action.

For best balance, the domineering type should have a majority of well integrated followers on his team. When he is arbitrary and inflexible, he can best be swayed by individuals who can bring to bear a large quota of sweet reasonableness in getting him to change his mind.

There are disadvantages also in having a majority of submissive types. This may result in too little fire and no initiative.



The great stone face

The submissive type does best as a leader if he has highly self-sufficient followers. For example, a group of technical specialists or research scientists would be happiest if given great latitude in charting their own course and making their own decisions. Here the submissive type may be the catalyst that is needed.

The combination of submissive leader and domineering worker can be efficient if the top man is willing to let the domineering individual exercise power.

When we apply the sociability scale, however, we find that incompatibles in the group spell trouble. The aloof individual readily understands the attitudes of others who shun emotional involvement and works well with them. The gregarious, emotionally dependent person is happiest with others of the same stamp.

Difficulties tend to appear when we combine personalities of opposite sociability extremes. The gregarious type is repelled by the cold personality of the aloof type. The reserved person cannot understand the urge of the gregarious individual's constant need for recognition and reassurance.

As a case in point, a large Midwestern firm transferred one of its field sales managers from supervision of field sales engineers concerned primarily with service and installation to leadership of a group engaged in direct selling of the same product. Although he had come up through sales and knew the product line intimately, he seemed unable to get his new team to function. There were constant trifling disagreements; several men left because of personality differences.

The new manager soon earned a reputation as cold, calculating, hard to get to. An aloof personality had been given leadership of a gregarious group.

He was transferred back to sales engineering and put in charge of a team of engineering specialists. With no change in his approach, he was able to develop a strong team of engineers and to turn in an outstanding performance record. He had found compatible followers.

As a group leader, the gregarious type seems to do best if he has a majority of like-minded followers. They will accept frequent task force assignments enthusiastically and enjoy the committee meetings.

At the other extreme, aloof leaders will set exact and demanding individual goals for aloof subordinates and will be gratified at the frequency with which they meet these standards.

However, the over-all effect is best if we have at least one potentially incompatible individual in a group of any size. In a highly gregarious group, an aloof person will take the unemotional and objective viewpoint necessary to try the conclusions of those who might otherwise be too quick to agree with one another. In an overly aloof group, a few gregarious types may be able to soothe feelings when unbending dissent gives warning of storms ahead.

A balanced team is always more effective. A mixture of all three types is best. The important point is to watch for a disproportionate number of either dominance or sociability extremes. But welcome and learn to be patient with a leaven of extreme types. A strongly domineering type may put drive into an overly submissive group. If there are too many dictators, their impact can be lessened somewhat by a few with a submissive leaning. A highly sociable individual can always be depended upon to ease tensions if disagreements occur. An aloof individual is a sure bet to test any decision by his objective and unemotional appraisal.

In every case, we need as many integrated types as we can get on our team. Here we have the democratic, group-centered leader and the balanced, reasonable team worker, who can help to offset unfavorable influences of any personality extremes on the team.

While in no sense a panacea for the varied and difficult problems in human relations that beset every manager, this approach to grouping people in terms of their team personalities can have value. By helping us to think in terms of building an integrated team, it can enable us to exercise the creative aspects of leadership that spell most certain success in the long run.—LOUIS A. ALLEN

REPRINTS *of "Match Leaders to Followers" may be obtained for 15 cents a copy or $10.15 per 100 postpaid from Nation's Business, 1615 H Street N.W., Washington 6, D.C. Please enclose remittance.*

LAUNCH IT



in the NEW
Iowa

New Plant? New Industry? Branch Plant? It's smooth sailing in the *NEW IOWA!* To get your bearings, check on Iowa's numerous, excellent production availabilities and sites. All replies held in strictest confidence.

IOWA DEVELOPMENT COMMISSION
515 Jewett Building, Des Moines, Iowa

YOUR OFFICE MACHINE IS NOISY
and you're wondering what to do



MODEL EF-3170

KILL OFFICE MACHINE NOISE AT ITS SOURCE
BY SURROUNDING IT WITH A GATES ACOUSTINET

Perhaps you have thought of acoustically treating the walls and ceilings, building a separate room, restricting use of the office machine to non-peak tension hours or even furnishing earmuffs to those disturbed by office machine clatter. Why waste money, since none of these treatments is practical or efficient?
Gates Acoustinets are portable acoustical cabinets, scientifically designed to absorb machine noise at its source . . . preventing harmful noise waves from reaching operator and other personnel. RESTORE TRANQUILLITY to your office. We guarantee results.

Give machine make, model and measurements

Gates ACOUSTINET
660 American Standard Building
Buffalo 7, N. Y.

JOBS GO BEGGING *continued from page 36*

Workers are reluctant to seek training to fit them for the jobs now available

ture in the 1960's, the number of young people in the work force will grow substantially. The U. S. Department of Labor expects a rise of about 600,000 per year in the number of workers under age 25.

"They offer a resource which can be useful in meeting the manpower needs of an expanding economy," the Labor Department says, "but they must be fitted as effectively as possible into our productive system."

Part of the current unemployment results from employers' insistence on higher standards. The survey brings this out.

"Employers have raised their standards in the past several months," a Chicago employment agency man says. "Earlier they would take whatever and whomever they could get. Now they are more discriminating."

Many employment officials see a resistance among young persons to return to school to learn new skills. But not all officials see the problem in the same light.

For example, one agency head said: "The average person wants to learn something new, but employers don't want to take the time and money to train them. They want experienced people."

In Detroit, where unemployment is more than 12 per cent, an employment agency spokesman says unfilled jobs range from about 150 to 500 a day. Here, as elsewhere, these jobs require skills which out-of-work persons do not have. The needs vary depending on the time of year or a particular industry's production cycle.

The Detroit agency said: "The jobs are open, indicating that no one wants to fill them. Wages offered on some of the jobs are low, making them hard to fill. Some of the unemployed probably hope that something better will turn up."

There is little or no indication, according to the agency, that workers in Detroit are training for new skills.

He adds that workers are reluctant to leave Detroit to look for work or to take jobs in other areas.

"They are convinced," he explains, "that, when things are normal, they are much better off working here than any place else. Even when business is in a slump they feel that—comparatively speaking—they are still better off here."

The Detroit area has about 200,000 unemployed.

In the San Francisco area, where more than 3,000 jobs are unfilled and unemployment is more than five per cent, a state Department of Employment official says most unemployed are either unskilled or unqualified.

She defines the latter as persons who have some skill but not enough to meet the increased demands of employers. Greatest specific needs are for clerical workers, service and domestic workers and electronic technicians.

"Many of the unemployed," the spokesman says, "are in seasonal labor such as the construction or canning industries. They know they can find work later."

In addition, she says, many nearby areas are within commuting distance. An example is Santa Clara County, which has had a great boom in electronics and missiles.

In Philadelphia an employment agency spokesman sees some indication that the unemployed will not migrate to other areas where jobs are available.

"The unemployment benefits in Pennsylvania are extremely attractive," he explains. "The unemployed are mostly unskilled. Therefore, they hope to find employment within their area because of the insecurity of getting another job somewhere else."

Philadelphia has about 150,000 jobless.

In Providence, where 11 per cent of the labor force is jobless, a Rhode Island Department of Employment Security official told the survey team that engineering, tool designing, health and other professional jobs are difficult to fill. Surprisingly, he said: "Some difficulty is also experienced in finding skilled workers for the textile industry, which has begun to show improvement after a prolonged decline during which no workers were trained for skilled jobs."

For the most part, he explained, Rhode Island workers prefer to remain in their own region. However,



ROHR MAKES MORE STRUCTURAL COMPONENTS FOR AMERICA'S AIRPLANE BUILDERS THAN ANYONE ELSE IN THE WORLD

ROHR PLANT, CHULA VISTA, CALIFORNIA

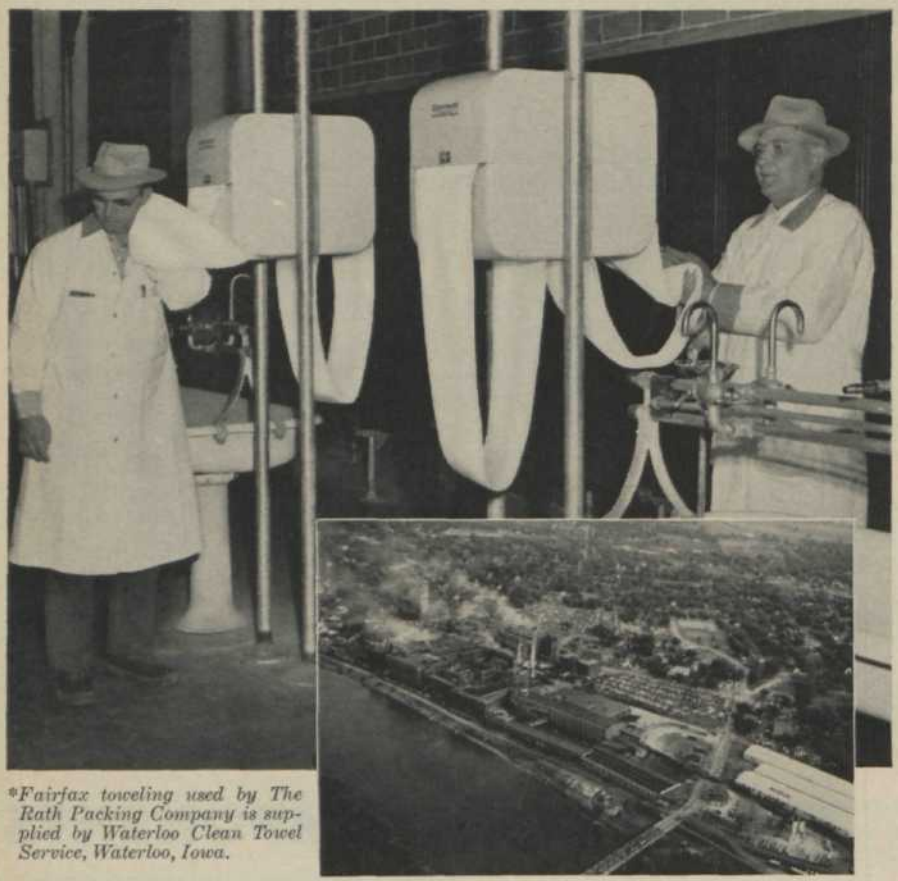
ROHR PLANT, RIVERSIDE, CALIFORNIA

From flap tracks to fuselage sections, to jet power pods, Rohr makes major components for most of America's leading commercial and military planes. With more than 16,000 people . . . with very special experience and equipment . . . Rohr builds components better, faster, at less cost for such famous aircraft manufacturers as Boeing, Convair, Douglas, Lockheed, McDonnell and North American.

ROHR
AIRCRAFT CORPORATION

MAIN PLANT AND HEADQUARTERS: CHULA VISTA, CALIFORNIA
PLANT: RIVERSIDE, CALIFORNIA / ASSEMBLY PLANTS: WINDER, GA., AUBURN, WASH.

The Rath Packing Co. trims waste, cleans up with COTTON*



*Fairfax toweling used by The Rath Packing Company is supplied by Waterloo Clean Towel Service, Waterloo, Iowa.

• One of the largest and busiest meat packers located right in the farming areas of the U. S. is The Rath Packing Company. Growing with the industry for 67 years, the packers of "Black Hawk" meats operate a modern efficient plant in Waterloo, Iowa, and depend on cotton toweling for essential cleanliness and economy.

Pointing to a substantial dollar saving in six years of cotton towel service, Rath management also emphasizes the elimination of litter in passageways and wash rooms. Rath's experience parallels that of other forward-looking businesses: *cotton does the job.*

Why not look into the advantages of cotton toweling or towels for *your* plant, building or institution. For further facts, write for free booklet to Fairfax, Dept. P-5, 111 West 40th St., New York 18, N.Y.



Here's How Linen Supply Works...

You buy nothing! Your linen supply dealer furnishes everything at low service cost—cabinets, pickup and delivery, automatic supply of freshly laundered towels and uniforms. Quantities can be increased or decreased on short notice. Just look up LINEN SUPPLY or TOWEL SUPPLY in your classified telephone book.

Clean Cotton Towels...

Sure Sign of Good Management

Fairfax Towels WEST POINT TEXTILES

WELLINGTON SEARS COMPANY, 111 WEST 40TH ST., NEW YORK 18, N.Y.

JOBS GO BEGGING

continued

many commute to jobs in Connecticut and Massachusetts.

What industry is doing

To overcome skill shortages, industries in many areas are providing opportunities for workers to get training and experience that will qualify them for upgrading. Training usually is offered to workers already on the company payroll. As these workers move up, improving their performance and income, room is made at the bottom for others.

The Emerson Electric Manufacturing Company in St. Louis offers a typical example of this kind of training. The company is paying the tuition of about 300 employes who attend night school.

"Most are studying engineering," says Gilbert F. Craig, vice president in charge of industrial relations.

"The company also maintains a library of both supervisory techniques and technical information. Occasional training programs also are offered. In the past two years these have included a mathematics course, a special two-week draftsmen's course at Washington University, and supervisory training."

Jack Robb, training supervisor at McDonnell Aircraft Corp. in St. Louis, says his company, with both government and civilian contracts, has a top-to-bottom training program. The college study plan, for example, in which the company pays 50 per cent of the tuition, is open to any employe from floor sweeper to vice president. Present enrollment under this plan does include one vice president. The plan is good for job improvement, a degree or a certificate of achievement.

The company also has a supplementary training program in the plant, before or after work. Workers attend classes on their own time and buy their own books. Company men do the teaching. About 100 courses are available. When new skills are needed—such as rigging control circuits on new aircraft—the training is given on company time.

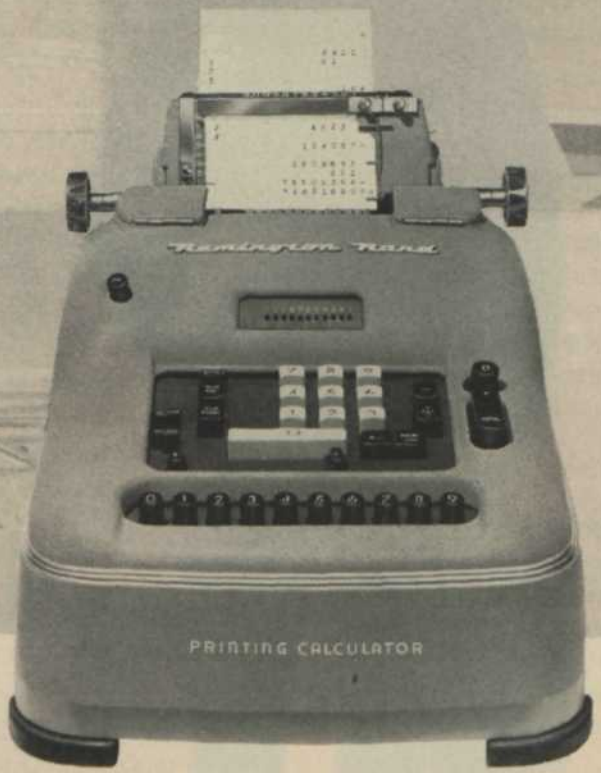
Supervisory training is given at three levels of management. Occasionally pre-shop training is given to new employes. "We retrain supermarket clerks to be electrical mechanics," Mr. Robb explains. Apprenticeship programs are set up for machinists and tool and die makers.

Another phase of the program

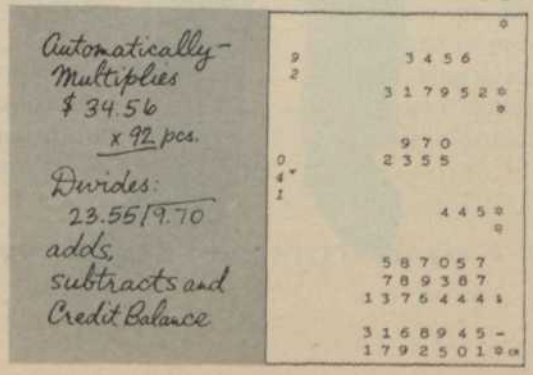
(continued on page 100)

The "99" Calculator aboard the S. S. United States

The S. S. United States takes oceans—and figurework—in her stride, employs a battery of twelve **Remington Rand** "99" Printing Calculators to handle ship's business: cost accounting, payroll (for a crew of more than 1000), and the many and varied other accounting jobs that derive from operating a "modern floating city"—efficiently!



PRINTS THE ANSWER PLUS YOUR PROOF



Did you know you can buy a "99" Calculator for less than $6.10 a week after a down payment? Contact your local Remington Rand Office or write for folder C1152, Room 1525, 315 Fourth Avenue, New York 10, New York.

The "99" Printing Calculator by

Remington Rand

DIVISION OF SPERRY RAND CORPORATION

315 Fourth Avenue, New York 10, N. Y.

a few
quick facts of
IMPORTANCE
to you as
a businessman



If democracy is to work, individuals must make it work. This has always been true, it is just as true today.

To make democracy work, businessmen must do more than vote. They must ASSUME RESPONSIBILITY for strengthening and improving representative government—and for building a better economic and social order.

The starting place, of course, is to BE WELL INFORMED. You must know what is happening in national affairs, what the trends are, what the big issues of the day are all about.

The next step—the essential step—is to TAKE ACTION. You must make your voice heard, and your influence felt. This is something which you can do more effectively in partnership with other businessmen than you can do alone.

And this, in a word, is the reason for the Chamber of Commerce of the United States—the National Chamber.

The National Chamber is an organization through which the businessmen of America work together to solve their common problems, and to solve national problems affecting the economy and the future of the country.

It is an organization through which businessmen as a group share their thinking and their views on national issues with their elected representatives in Washington. The National Chamber is composed of more than 3,500 voluntary organizations of businessmen—local and state chambers of commerce, and trade and professional associations—plus more than 22,500 business firms and individuals.

The National Chamber is strong, vigorous, positive, forward-looking. It equips its members with what they need to assume greater citizenship responsibility. It provides them with the organizational means by which they can exercise their full share of leadership in national affairs.

If you, as a businessman, are wondering what you can do to help make democracy work, and to prevent controllism from taking over, then membership in the National Chamber is for you. For full information about membership, write:

CHAMBER OF COMMERCE OF THE UNITED STATES • WASHINGTON 6, D.C.

Plain facts about washroom towel costs!



We have been making top quality washroom paper towels since 1925. But we know that high quality by itself will not produce the most efficient towel service.

So we combine our quality towels with the controlled Turn-Towl cabinet, to produce the perfect washroom towel combination.

Result: Excellent towels at a low service cost — with towel consumption dropping as much as 50%.

MOSINEE Sulphate Towels
BAY WEST PAPER CO.
1102 West Mason Street
GREEN BAY • WISCONSIN
Subsidiary of Mosinee Paper Mills Co.

"TASKMASTER"
Improved "Work Classifier"



This elegant desk organizer keeps "things to be done" neatly under control and discretely under cover. It is outstanding for its utility, eye appeal and sturdy construction.

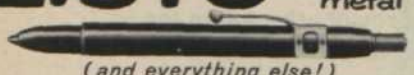
No clutter, no loose or lost notes. Work flows more smoothly, saves time and money. Each sheet takes a different notation, retains it till the item is dispensed with. Hand bound with "LEATHERLEX," will hold letter & legal size papers. 2 inch acetate tabs—blank inserts. Gold decorated, individually boxed. Overall size 10½x15x2½".

6 Sections $6.00
12 Sections $8.00

Colors: Brown, Green, Maroon, Grey. Indicate color. Mail your order today.

MEDFORD PRODUCTS, Dept. N.B., Box 39, Bethpage, N.Y.

LISTO writes on metal



(and everything else!)

It's the miracle marking pencil—big, bright, bold! Refills in look-alive colors, too! Pencil 27¢, Refill 15¢.

AT VARIETY & STATIONERY STORES EVERYWHERE

EUROPEAN COMMONMARKET

Do you plan to manufacture precision mechanical or electronic equipment in Europe?

Fully equipped PLANT FOR SALE with modern precision machine tools, 5-acre one-story buildings on 7-acre lot in the center of a region in BELGIUM abundantly supplied with skilled labor. Write:

Leon G. Rucquoi & Associates, Inc.
INDUSTRIAL CONSULTANTS
30 Rockefeller Plaza, New York 20, N. Y.

JOBS GO BEGGING

continued

permits high school graduates, after completing one year of college, to alternate semesters, one working with the company, the next attending college.

A Dallas employment official explains that many in his area do not seek training for new skills because they feel "the good days will be here again." They try to "wait as long as they can." Dallas has no great unemployment problem, with only a little more than four per cent of the work force jobless. Several companies which have had on-the-job training have temporarily abandoned or cut back their programs.

"The shoe is on the other foot here," says a Dallas spokesman. "Business and industry from other sections try to recruit Dallas' skilled workers. Papers in the area have carried large, attractive ads from outside sources, including the West Coast, the Northwest and the East."

In Portland, Ore., a spokesman says "a large part of the unemployed labor force is unskilled." As to training, the Portland Chamber of Commerce says "most people can improve their situation but generally a person has to do it on his own."

But most companies in the area, according to the Chamber, do have on-the-job training. He says that large companies try to get the people they need who are already trained, and supplement them from the local labor pool. Most companies use aptitude tests to fill jobs where training will be needed.

George Creighton, director of the industrial bureau of the Baltimore Association of Commerce, says many companies in that area operate training and apprentice programs. Workers are offered the opportunity to advance to higher classifications as their progress merits.

In addition, one company recently began construction of a plant with the understanding that many workers to be hired will be trained for their jobs. Mr. Creighton says that in the past year 12 new industries have been attracted to Baltimore—which has an unemployment rate of about eight per cent—and 146 existing plants have been expanded. All this, he says, has cost $88 million and will lead to employment of about 1,100 more persons in the near future.

Incoming industries, he says, expect to train some workers.

The Kansas City Chamber of Commerce reports that several local companies are hiring and training for specific jobs. Westinghouse is probably the largest company with a major employe-training program.

In Atlanta, a public employment agency spokesman says that industry is becoming training conscious. He cites the education committee of the Association of General Contractors, which is promoting a statewide program of classes for construction workers.

Many companies have tuition-refund programs which allow employes to take courses that will upgrade them and benefit the company. Workers get tuition refunded when they complete the courses.

In one company this type of program backfired. An employe took a course in labor-management relations at St. Joseph's College. He is now a top official of the local organization of the International Union of Electrical Workers.

Improvement ahead

Employment nearly everywhere is expected to improve in the months ahead.

The NATION'S BUSINESS survey found these sample comments from employment agency people in areas where, generally speaking, unemployment is high:

NEW YORK: "Unemployment will decline somewhat by the end of the year because of an industrial pick-up, but the decline will be small and nothing like that of 1956 and 1957."

CHICAGO: "Unemployment, without a doubt, will go down by year's end."

PHILADELPHIA: "Unemployment should decrease because of an increase in government expenditures and an increase in industrial capital expenditures."

DETROIT: "We believe unemployment will be less at year's end because it is believed the 1960 automobile year will be bigger than the 1959 year."

SAN FRANCISCO: "Employment will increase gradually through September."

PITTSBURGH: "Belief here is that the unemployment rate will decrease during the year."

ST. LOUIS: "Unemployment will continue to rise until June or later. By the end of the year the situation will be better."

BALTIMORE: "Employment will

improve more or less steadily from now through the end of the year."

BUFFALO: "This area has primarily heavy industry and the pinch is being felt because of a slowdown in car sales and the low ebb of the railroad economy. Unemployment, however, will decline by the end of the year."

KANSAS CITY: "Unemployment will decrease in the next three months."

DALLAS: "Indications are for a gradual increase in unemployment. The employment picture depends to some extent on government contracts."

ATLANTA: "The economic situation is healthy and, barring a national recession, will be in good shape for the rest of the year. Employment is expected to increase by the end of the year."

PROVIDENCE, R. I.: "Unemployment is higher now than a few months ago but is significantly improved over a year ago. The employment pickup of recent weeks is expected to continue."

LOUISVILLE: "No large new plants or factories and no new industries are opening in the area. There is no immediate reason for unemployment to decrease."

PORTLAND, ORE.: "The prospect is good. Employment will improve gradually and probably will reach its peak in the next six months."

Regions listed here account for approximately 1.5 million of the nation's 4.4 million jobless.

Significantly, employment officials in all but two of these areas expect the number of jobless to decline by the end of 1959.

One official told the NATION'S BUSINESS survey team:

"The number of jobless will go down in the months ahead.

"Currently, business and industry are trying to pick and choose good workers. But just about all the good workers already have jobs.

"Pretty soon the companies will get around to that stage of the economic cycle where they begin hiring warm bodies—that is, anybody at all who can fill a job and punch a time clock."

It seems clear, in the final analysis, that unemployment will continue to plague our economy until more workers realize that their real hope of job security in the future lies in acquiring needed skills. END



1 NEW Instant Electric Clearance

2 NEW Customatic Key Control

NOW...EVEN LOWER-COST FIGURING WITH THE NEW 3 NEW Eye-ease Color

Comptometer® Customatic

WITH NEW SPEED-UP FEATURES

It's the cost per calculation that counts! The Customatic Comptometer's famous features, augmented by new advancements, enable you to get more and better work done, at still less cost.

New Customatic Key Control. Instantly sets to individual touch. Built-in floating action stops finger-fatigue.

New Instant Electric Clearance. Touch the bar—dials are instantaneously cleared.

New Eye-ease colors—and all the other famous Comptometer features: Accuracy Key—insures complete registration; giant-size, easy-to-read numerals; Direct-Action Keys for speedy answers (no intermediate operations); and many others for greatest operating ease, economy and time-saving efficiency.

Let us prove this in your office FREE.

Now lease any Comptometer business machine on a nationwide leasing plan through Comptometer offices.

Comptometer® Corporation / BETTER PRODUCTS TO BETTER BUSINESS



Comptometer Comptograph "220M"—with new multiplication key—more features than any other 10-key listing machine. Mail coupon.



Comptometer Commander—Insures accuracy in dictation. Lifetime Magnetic belt saves far more than machine costs. Try it today, FREE.

COMPTOMETER CORPORATION
1713 N. Paulina St., Chicago 22, Illinois

- ☐ Arrange free office trial for me on:
- ☐ Send me literature on:
 - ☐ Comptometer Customatic
 - ☐ Comptometer Comptograph "220M"
 - ☐ Comptometer Commander

Name_____

Firm_____

Address_____

City_____ Zone____ State_____

PROVIDES SECURITY



NEW YORK LIFE'S EMPLOYEE PROTECTION PLAN

designed for firms with 5 or more employees, offers choice of these modern coverages

1 **Medical Care Benefits**—now include *Major Medical Insurance* (in most states) to help provide financial aid when very serious illness or injury strikes. Supplements basic benefits that help meet hospital, medical and surgical expenses due to non-occupational accidents or sickness. Several benefit schedules available for insured employer, employees and dependents.

2 **Life Insurance**—payable at death to beneficiary. Accidental death benefit optional.

3 **Weekly Indemnity Benefit**—payable for total disability due to non-occupational accident or sickness. Different amounts and benefit periods available. (Not available in states with compulsory disability laws —or cash sickness laws.)

Ask your New York Life agent for information now, or write to address below:

Individual policies or a group contract issued, depending upon number of employees and applicable state law.

New York Life
Insurance Company

51 Madison Avenue, New York 10, N.Y.
(In Canada: 320 Bay Street, Toronto, Ontario)

The New York Life Agent in Your Community is a Good Man to Know

Executive Trends

Do sales practices need overhaul?

To get top performance from their organizations, sales managers need to revise and even reverse some of their present practices, says Director Rensis Likert of the University of Michigan's Institute for Social Research. The general trend in all of management today, not only in selling, says Dr. Likert, is to provide more measurements of end results and focus more attention on them.

"A manager's job is defined by the measurements obtained on his performance. Consequently, this emphasis on end results puts pressure on sales managers to set more specific targets, use closer supervision, and put more direct pressure on their subordinates.

"These trends," he points out, "are exactly opposite to what research findings show will yield best results."

▶ *The way to get best results from a human organization, Dr. Likert continues, is through highly effective work groups which have high performance goals and to which the individual is loyal and highly attracted. Group processes and participation should be used in setting quotas, cutting costs and determining other objectives.*

How to improve your recruiting effort

Do your on-campus recruiters have any of these minus qualities? A canned presentation? A superior or smug attitude?

These are just two of the obstacles to effective college recruiting by industry which are cited by Dr. Paul Sherwood, placement director of the University of Pittsburgh.

Dr. Sherwood says many companies sap their recruiting strength by shifting their recruiters too often, by failing to follow up on correspondence when they have promised to do so, by overselling jobs, and by prejudging candidates on credentials alone.

▶ *The most vital recruiting skill, Dr. Sherwood says, is the ability to open the interview with ease and close it with precision. In addition, recruiting visits should be well planned as much as 12 months in advance. Dr. Sherwood also warns against by-passing the placement office, requesting last-minute changes in schedule and "bird-dogging"—having extra men who spread out over the campus and appear unannounced in offices and labs.*

First job predicts entire career

Two University of California (Berkeley) sociologists says that the first job a young person takes when he enters the labor force may

be of crucial importance in predicting the whole course of his career. In a newly published study, professors Richard Bendix and Seymour M. Lipset say that first jobs and later careers are closely bound up with the social status of parents and the way they educate their children.

Vocational guidance, the professors find, is more often given to children whose families can afford to keep them in school. This advice also seems to be more realistic and helpful than the advice given to children of working-class parents. These children generally receive little counsel, have vague job plans while attending school, and are likely to take the first available job.

► *Children from working-class families actually are caught in a generation-to-generation inheritance of diminished opportunity, the research suggests. Children from wealthier families enjoy the career advantages of greater education and more personal contacts which lead to better jobs.*

Africa beckons to U. S. business

Opportunities in the underdeveloped countries of Africa have never been greater for the American businessman.

That's the opinion of management consultant Louis A. Allen, who recently visited the African Continent.

In a letter to NATION'S BUSINESS, Mr. Allen says large and small businesses alike can take advantage of the investment and market opportunities inherent in Africa's vast, untapped resources in minerals, power, forest products and agriculture.

"Long-term profits in Africa," Mr. Allen says, "depend on more than price, quality, and availability—the classic yardsticks of the western market place. To succeed in Africa, an American company must, in addition, be fully conscious of the social and political, as well as economic, demands of this awakening continent."

► *Mr. Allen says the capital we invest in Africa will be looked upon with suspicion unless U. S. business can demonstrate that its presence in Africa is helping to improve the living conditions, resources and educational levels of the countries in question. He adds that American businessmen can help give Africans sorely needed training in professional management.*

Tips on report-writing

The writing of reports is drudgery to many businessmen. But it can be made less so if certain principles of organization and simplification are followed. James W. Souther, assistant dean of the College of Engineering at the University of Washington and an authority on report-writing, says management has these obligations for supervision of report-writing assignments:

First, it should give the writer what he needs to do the job; make him aware of what is wanted, why it is wanted and when.

The second step is to establish check points on the progress of the report writer. Here you make sure that the writer's understanding of his assignment is complete and accurate.

► *The second check point is to make certain the proposed report is functional, clear and useful—that it will do its intended job. Third: Review a draft of the report to make certain that it will be complete, concise, effective and useful. Fourth: Review and approve final copy. To maintain standards of effectiveness and usefulness, reports should be complete, simple, concise, clear but not necessarily uniform in style, and at all times neat.*

PROMOTES EFFICIENCY



NEW YORK LIFE'S NYL-A-PLAN

A personal insurance service—offers firms these important benefits:

★ **Nyl-A-Plan** helps you hold key people by giving them an opportunity to properly coordinate their company and personal insurance plans.

★ **Nyl-A-Plan** provides the services of a trained representative to help each employee set up a family security program and obtain additional personal insurance, as needed, at the lower Nyl-A-Plan rates. He also explains the value of group insurance, other company benefits and Social Security—emphasizing how much of their cost *you* pay.

★ **Nyl-A-Plan** gives employees greater security at lower cost . . . boosts morale and productivity, too!

Ask your New York Life representative for a free booklet that tells how your company can benefit by installing Nyl-A-Plan, or write to address below.

New York Life
nylic **Insurance Company**

51 Madison Avenue, New York 10, N.Y.
(In Canada: 320 Bay Street, Toronto, Ontario)

Life Insurance • Group Insurance
Annuities
Accident & Sickness Insurance • Pension Plans

GIVE EMPLOYES A GOAL TO REACH

Four characteristics mark program for improving executive performance

ALL EXECUTIVES face the problem of getting men under them to assume their share of responsibility for running the business.

But frequently the men below do not know exactly what top management expects of them. There is no standard and therefore no real measurement. This problem is magnified when the top executive wants to steer away from the narrow specialist. The specialist is not tied to concrete objectives blended into the objectives of the business.

The problem may also come to the fore when the top executive tries to stimulate some improvement in operations every year. All of this points up the need to develop a sound accountability for results in each manager to establish a firm basis on which to develop a virile, driving management for the future.

This can be done by a carefully thought out "results" type of operation. Essentially, this is based on the premise that each manager should be measured by the contribution he makes to the operation. The essential characteristics of a results operation are:

- Each manager must be responsible as an individual for a segment of the profit and loss statement.
- Results of all managers must be balanced and blended so that they harmonize with over-all objectives.
- Authority must be realistic in the light of expected results.
- Records of an executive's progress should be used to help him improve his performance.

The results type of operation makes possible the measurement of managers against the objectives of the business.

Without sound measurement it's perfectly natural if managers fail to assume personal responsibility. This is because they cannot be made completely accountable for achievement. In many cases they tend to emphasize a flurry of activity instead (note the growth of little empires without a corresponding return in value). Without measurement, staff may assume control and debilitate line.

The lack of measurement breeds unsound compensation plans. Salary increases and bonuses are not in line with true accomplishment. Inevitably managers deviate from sound business objectives. Managers do not accept changes as a basic mode of operation.

Crises develop and with them a series of meetings and a flood of memoranda as a substitute for individual action.

These offer a fine opportunity for individuals to pass the buck, thereby developing a weaker and less flexible management.

Responsibility

To start with, the over-all objectives of the chief executive officer

RESPONSIBILITY *for a segment of profits and loss rests with each manager*

RESULTS *of all managers must be balanced to harmonize with objectives*

AUTHORITY *should be viewed as the freedom to achieve expected results*

RECORDS *of executive progress should be used to help improve performance*

must be broken down into smaller and smaller parts, until each manager is made responsible through objectives for a part of the over-all achievement. To be most effective this should lead to individual objectives. This is free enterprise in application.

Each of these segments of the over-all objective should be stated in terms as measurable as possible. In addition, what is expected of each man should be stated in terms of results, not just by functions. For example, even a foreman should be responsible for specific unit costs, waste percentages, machine costs, and so on—not just for supervision of a particular department.

A man should also be responsible for planning ahead to meet any crisis that may prevent his achieving the assigned result. This may mean developing a special grapevine to other departments. It may mean a possible policy or procedure change. This tends to relieve the chief executive of the requirement for extraordinary foresight to develop every facet of policy and broad procedure to meet all unenvisaged contingencies. Recommendations come up the line, because it will be to the interest of the individual manager to push them up. He will be accountable in any event.

Since we wish to stimulate the man, we must visualize how he would look at results expected of him. A common error in delegation is to emphasize a multitude of details for which a man is responsible. These may not even be results. It is generally more practical to state what is expected of a man in terms of two or three major results. Otherwise the man tends to become enmeshed in minor details.

For example, a sales manager who is unduly worried about the number of presentations made, number of calls, number of dealer meetings held, and so on, may not focus on total volume of sales, volume of sales per jobber salesman, and number of new accounts opened. These three may be the major results for which he should be held accountable. The others are merely means of arriving at these.

No man in any company can operate in isolation. To work well, the results of any one man must be blended with others. In addition, results expected must be thought through so that proper pressure is put on those that are required in a particular period.

Develop balance

One way to do this is to break up over-all objectives into components and assign them to different men with a stated requirement for accomplishment in a given period. This in itself forces a better balanced operation. It is easier, then, for the chief executive to look at his whole operation and to make sure that individual objectives complement each other. This can act to curb the individual's tendency to exaggerate the value of his specialty and apply time and funds far beyond the real contribution his specialty can make in that period.

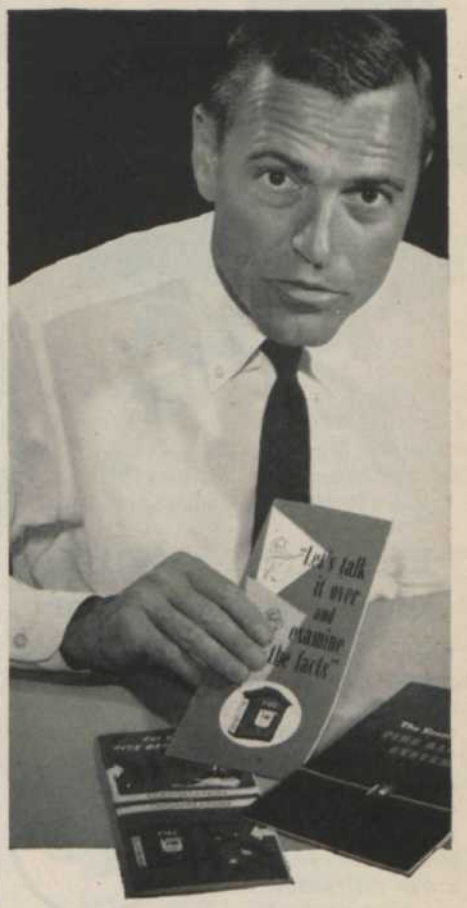
Further to assure that the results are balanced throughout the operation, a built-in governor can be developed to prevent excessive operations. For every result there is usually an optimum level. Going beyond this results in little value to the company.

Specific results can be stated so that accomplishment beyond the optimum is discouraged.

For example, research men are often inclined to go on researching until every technical problem connected with a new product has been explored. The difficulty is that theoretically there is no limit to such an exploration. To meet this problem, some firms hold research men accountable for the net sales profit on new product sales. Measurements can then be developed to focus on the relative value of further research. The man on the job is encouraged by results accountability to do a broader management job in weighing the relative effects of different parts of his activity.

Floating staff functions may also be more effectively tied to the work of the line. Staff functions can also be held accountable for results. They are commonly held accountable only for servicing, helping, aiding or advising. These are all definitions of activity. When staff men are accountable for some accomplishment that helps the line do its job better, they tend to be more interested in the problems of the line. A personnel man, for example, who is going to be accountable for the way individuals do their jobs (and the results they get) is much less inclined to force impractical morale procedures on the line. His measurement is similar to that of the line.

Another aspect of balancing operations is the giving of proper credit. When you have defined results expected, it is easier to give a man credit for achievement. There are few results in business, however, that are not affected by the work of several people. In actual practice



What you Don't Know about Fire Alarms Could Kill You!

Your life or your business could go up in smoke while you try to "call in an alarm". Wires burn, excitement garbles instructions, your phone location cannot easily be traced in a telephone exchange. The safe, sure way to sound an alarm is your coded fire alarm system. It tells exact location, sends signals immediately — automatically mobilizes your entire fire department *in seconds* to get to your business and save lives and property.

Ask your Fire Chief how coded fire alarm systems, both public and privately-owned, can work to save lives, lower insurance rates, cut property losses — make your city a safer place to work and live. Or send for booklet prepared by Specialists in Public Safety: "The Economy of a Fire Alarm System".

THE GAMEWELL COMPANY
Newton Upper Falls 64, Mass.



HARTER
C-1500
Executive Armchair

Executive Styling Armchair Comfort

Through the years more men have found comfort in the Harter C-1500 than in any other office chair. They like its classic, uncluttered executive lines and its ability to deliver comfort in man-sized measure. Deep molded cushions of virgin foam rubber give the C-1500 true armchair comfort. Prove this yourself with a free trial, without obligation, in your own office.



For literature on C-1500; dealer's address, write Harter Corporation, 509 Prairie, Sturgis, Michigan

HARTER STEEL CHAIRS



The skilled hand of the German gunsmith is responsible for this .22 caliber, 6-shot repeater automatic with self-ejecting clip. Just 4" long, fits easily into pocket or purse. Ideal for sporting events, stage use (not available to Calif. residents). Comes for $6.95 ppd. from **Best Values, Dept. K-75, 403 Market St., Newark, New Jersey.**

FABULOUS, NEW

5-Ft. Long Balloons

Twist Into A Thousand Shapes!

GIRAFFES-DACHSHUNDS—Pets of All Kinds

Made of Live Latex **200 for $1** Add 25c Postage and Handling

Delight Kiddies—Grown-Ups, Too!

Almost 5 feet long when inflated. Balloons this size usually sell up to 25c each.

Send only $1 now. Plus 25c postage and handling for 200 in a variety of gay colors! Supply limited at this low price, so order several sets NOW for GUARANTEED PROMPT DELIVERY. MONEY BACK GUARANTEE. FREE Complete Instructions.

MURRAY HILL HOUSE
Dept. B-24-I, P.O. Box 251, Bethpage, L. I., N. Y.

A GOAL TO REACH

continued

several people may have to share credit for the accomplishment.

For example, a sales promotion manager may get full credit for the increase in certain product sales. At the same time the individual district sales manager must get full credit for the total sales of his territory. The methods engineer must get full credit for improving methods in a department he serves. At the same time, however, the line supervision must get full credit for the net improvement in cost of its operation.

This can often mean the difference between antagonistic staff-line (or line-line) relationships as against close cooperation.

Realistic authority

In defining results it becomes clear that authority must be viewed as freedom to achieve the results expected.

Unfortunately, authority is often not determined this way. Witness the number of men who hesitate to act and seem to be always waiting for someone else to give them the word.

How should you determine authority? Start by asking yourself what kinds of decisions a man has to make to get the results expected of him. Without measurement it is difficult to determine this. Then ask yourself what normal errors a man would be likely to make in applying these decisions. A sound definition of authority is then a statement of the normal errors that the man can make with impunity so long as he gets the over-all results.

It is important in this development of a sense of authority that the man must not be criticized for normal errors. This requires that each supervisor or executive must develop a tolerance for error.

We should emphasize that authority cannot be given, however, unless the man is accountable at the end of the period. Without this you have chaos. This is why (when results haven't been clearly stated, especially in measurable terms) it seems impossible for a higher executive to let go of some of the reins enough to let someone else make decisions.

Accountability must come first.

This process forces decentralization of authority. It pushes decision-making to the bottom level. In this it becomes a major step in the development of managers down the line so that they learn to make decisions by actually making them.

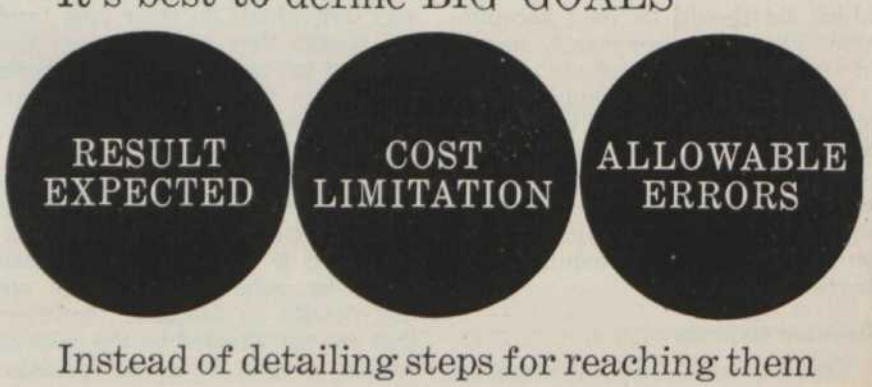
The record system

Since the basis for this kind of management is measurement, the record system comes into real prominence. Its basic use changes, however. The action principle is applied: A record man should be accountable for action resulting from his records, not simply for keeping records. You start with the statement of the results expected. The record man then develops reports that indicate whether the trend of a man's work is toward his objectives.

The record man reports and interprets any deviations within a man's authority to the man—not to his boss. As long as the deviation is within the man's authority, the report is directed to him. This, of course, requires real discipline on the part of a superior who must often sit quietly by and let his man take corrective action when something goes wrong. As soon as the deviation is beyond the authority limit set for the man, however, the record system must report to the superior. Without this, you get a lack of over-all control at the top.

You will note some implications.

First, the records need not be completely accurate—not like the



typical accounting system. All that is needed is an indication that there is a deviation. Whether it is five per cent, or four per cent, or six per cent may not matter.

In any event, action should be taken. This frequently simplifies the record system.

Results of different men frequently overlap. This means that the same deviation may be reported to several people. This is particularly true between staff and line. Record men would also develop records on the results expected of staff people. This helps make staff more solidly accountable for worth-while achievement. This may mean a system of double accounting. In most cases this is not difficult to set up, however.

Only the unusual case—the one beyond the authority of the man below—is reported up the line. In essence, this forces the exception principle into operation. In this way the record system becomes a strong management tool to encourage men at higher levels to allow their men actually to take hold and assume the initiative. At the same time it relieves higher-level executives of detailed checking so that they may spend more time on the broader management planning operations.

In applying accountability for results, each job down the line is developed as a small replica of the job above in a definite requirement for achievement of objectives based on a sound measurement. Each manager has his definable part to carry. Men have leeway to act, and by results accountability and control they are encouraged to do so. More sound accomplishment is possible because you are capitalizing on the personal individual initiative and ability of every management man in the operation.

In the process, every manager develops a broader sense of company responsibility. He becomes much more alive to the over-all requirements of the business. He is personally attached to them. He thus becomes better acquainted with the actual requirements of other segments of the business as they impinge on his own responsibility. Broader businessmen are developed for the future—men who are better qualified for promotion.

—E. C. SCHLEH

REPRINTS *of "Give Employes a Goal to Reach" may be obtained for 10 cents a copy or $6.75 per 100 postpaid, from Nation's Business, 1615 H St., N.W., Washington 6, D.C. Please enclose remittance.*



PITNEY-BOWES
MAILOPENER
PITNEY-BOWES, INC.
1372 Walnut St., Stamford, Conn.
...originator of the postage meter... offices in 121 cities in U.S. and Canada



• Why depend on a girl to open mail by hand and dagger methods—while the day's work waits until the mail is distributed? A MailOpener can add working minutes to every morning.

• The MailOpener trims a hairline edge off every envelope, swiftly, neatly, safely—leaves the contents intact. Handles any size envelope, of any stock.

• Three Pitney-Bowes models, hand or electric, for any office, large or small.

• Call any PB office for a free trial of a MailOpener in your office. Or write for free illustrated booklet.

FREE: *Send for handy desk or wall chart of new postal rates, with parcel post map and zone finder.*

Learn how
"AUTOMATIC SUPERVISOR"
on truck promotes
savings and safety...



WAGNER
SANGAMO **TACHOGRAPH** graphically
records starts, idling, stops, speeds of run

A Tachograph mounted on the dash of a truck might well be called an "automatic supervisor." It is a recording speedometer that graphically records trip information needed to make fleet operations more efficient. For a little more than 2¢ per day (the cost of a Tachograph chart) you gain facts that help you reduce wasted time, encourage safer driving and control speed. A Tachograph on a vehicle is almost like having a supervisor actually ride along on every trip. For details, mail the coupon.



CHART TELLS ALL



Wagner Electric Corporation
6475 PLYMOUTH AVE. • ST. LOUIS 14, MO.
Please send a copy of Bulletin SU-3

Name_____
Company_____
Address_____
City_____ State_____
We operate_____ Vehicles
WS59-4

GANGSTER INVASION

continued from page 41

or four years, the racketeers come back and extract a little bit more, and a little more, until ultimately they control everything.

That is the great danger. And they are getting stronger and stronger.

How does this happen as far as businessmen are concerned?

I think initially they make the deal because these gangsters come to them and say, "If you make this arrangement with us, instead of 10 per cent of this particular industry in this community, we will make sure you have 50 per cent." This sounds very lucrative, so the businessman brings them in as partners possibly. Other businessmen make "sweetheart" contracts with some union official. A few years after the initial deal, the businessman doesn't control the industry any longer. The gangsters can blackmail him, threaten his family. Sometimes the businessman has become so corrupt himself that he plays along. We found that happening again and again.

What is the solution for this?

I think legislation in the field of labor-management relations offers some solution. But we need some major legislation dealing with organized crime. I think our laws dealing with this sort of situation are antiquated.

Would this have to be a major over-all federal crime law, or are you thinking of some specific areas?

I think that should be studied. Some kind of national body must be set up to correlate information on interstate crime, something like a national crime commission. Local police intelligence groups are excellent but they can't deal with organized crime outside their jurisdictions.

What are the essential law violations involved now?

That is one of the difficult problems, because these people operate in so-called legitimate businesses, and obtain a monopoly over them. Our investigations show that they arrange with some union to cause their competitors difficulties and trouble. For instance, in one city, a man who had served in the federal penitentiary for armed robbery became a union official. He placed picket lines in front of businesses, not to organize them, but to make those businesses give their work to gangster-run companies. That kind of operation has been repeated over and over.

That gets into the area of extortion, but it's a difficult matter to prove, particularly in many communities where there is a close tie-in between politics and labor-management relations. In some areas the collusion between racketeers and management enters the antitrust field.

The gangsters infiltrate the political ranks of the cities and counties?

Yes, they have. A number of communities even at present are completely under the domination of gangsters.

Often the difficulty is that the prosecuting attorney and the law enforcement officials are corrupt. There isn't much anybody can do unless the governor sees fit to step in. In some states he can't, and in some states he won't.

So you have a situation where the people really can do nothing about it.

Are federal laws needed so that federal agencies can take over law enforcement?

I hesitate to go too far in that area. Our whole system is built on checks and balances, and one of the great checks is the power of the state and local governments over the federal government.

I don't think that, just because a law breaks down in a couple of communities, you should grant the federal government power to take over, but I think this whole crime operation must be given much study, and the federal government's power and knowledge in this field should be increased.

What impact does this laxity in local governments have on business?

The FBI has indicated that the American people have to pay more than $20 billion each year, in one form or another, to crime and gangsterism. Most of it comes out of business.

How can a business guard against being involved in this kind of operation?

I think the businessman, where a deal is offered, has to turn it down. Some businessmen, of course, are helpless. Somebody else makes the deal and local law enforcement is broken down.

I would say that none of this gangster infiltration would be effective if it were not for cooperation from some businessmen.

There is no question that this is a small percentage. And I can't emphasize too much that, after this initial step is taken, they are no longer free men.

We have found over and over that once a businessman makes a deal with this underworld group, he is controlled and owned by the underworld.

How can a businessman know when he is dealing with the wrong kind of people?

He should know when a deal that is suggested is improper, or if the cash is coming in an unusual way. He should know when someone brings in a union official, for instance, and says, "You are going to have to give him a little extra money, but he is going to work along with us on this."

What should a businessman do when he is put under duress to get involved in something like this?

What he is going to do is up to him. Obviously, law enforcement officers should help him. As I say, that is a major problem in some communities.

Some people have not always been willing to take the necessary steps to deal with racketeers.

What can the businessman do to see that he gets proper law enforcement?

I think people don't take enough interest in local, state or federal government. That is a great problem in this country. People are enmeshed in what they are doing. They lack an interest in who is going to be mayor, or district attorney or on the school board. Every businessman, and every citizen, has an obligation to take an active interest in public affairs, and see that he has the right public officials and the right people to teach his children. After all, the politicians just reflect the citizenship. If you don't have the right people, it is often the community's fault.

Have you received much voluntary information from businessmen who were hurt by this type of operation?

Not a great deal. I suppose we have received probably 140,000 complaints since the committee came into existence, and 75 per cent of those complaints have come from members of organized labor. A rela-

tively small percentage is from the businessmen.

Do you see this as a new surge of crime?

I see it as a new surge by the people in the underworld. Organized crime is far more widespread now and far more serious than during the days of Al Capone.

Will the surge continue?

It will continue and get much worse, in my estimation.

Why is that?

I think the gangsters have gotten much smoother in their operations. From prohibition they learned about operating in interstate commerce. They set up a transportation system to operate with other groups throughout the country, obtaining sugar and other ingredients.

The second thing, they obtained a great deal of money during and immediately after the war. They have a great deal of cash available, so when they move into an area the legitimate businessman can't compete. As we have just been seeing, they can pay a greater bonus for placing their juke box, or their pin ball machine, for instance, than the ordinary businessman can afford.

What can be done about it?

I think that public knowledge and interest would be extremely important. I think the federal government must take a more active interest in organized crime—and I think they are doing that now. I think we need some new legislation dealing with organized crime.

I think that judges and courts in some areas must become more realistic about what the problems are. I think that the individual's liberties and freedom are extremely important. I think, however, we should put some emphasis on the public interest and public security.

What about labor legislation?

I think that is imperative and, unless it is passed this year, I don't think we will ever have any.

What do you think should be done in labor legislation that would help with this problem?

Our committee has made suggestions in some five or six areas. First, in the control over union funds, which I think is extremely important, because there is so much money available.

We have also suggested legislation dealing with union democracy, democratic freedoms and rights of

It takes a specialist like Stromberg-Carlson to provide a new concept in intercom systems . . . Key-municator

AVAILABLE ON LEASE!



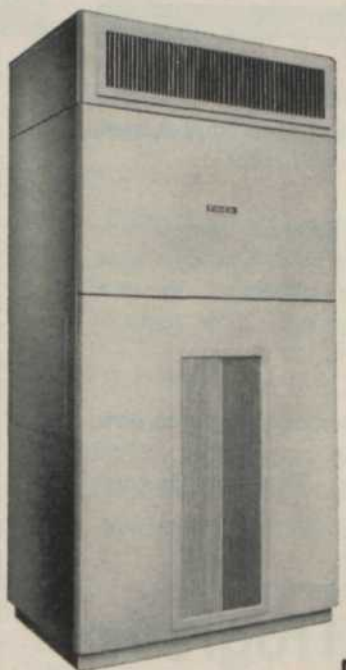
A MARVEL OF ELECTRONICS, Key-municator loudspeaking intercom system lifts inter-office communication to jet-age speed and efficiency. You issue orders, get reports, find facts in split seconds right from your desk. Transistorized for true voice fidelity (no interference or unintelligible transmission); designed with the executive touch; no costlier than old-fashioned systems. Write today for booklet, "Why Key-municator belongs on your desk."

"There is nothing finer than a Stromberg-Carlson"

STROMBERG-CARLSON A DIVISION OF GENERAL DYNAMICS CORPORATION
1483 NORTH GOODMAN STREET • ROCHESTER 3, N.Y.

S-C | GD

ONLY THE BEST IN *AIR CONDITIONING*



Frick Unit Air Conditioners are available in 3, 5, 7½, 10 and 15 Ton capacities.

CARRIES THE

TRADE FRICK MARK®

TRADE MARK

If you are in the market for comfort, requiring any type of air conditioning . . .

Call your nearest Frick Branch or Distributor for recommendations and estimates.

DEPENDABLE REFRIGERATION SINCE 1882
FRICK CO.
WAYNESBORO, PENNA., U. S. A.



Getting anywhere?

"Of course, that depends upon your ambition, your goal, your destination. But . . . if you have the uncomfortable feeling that you're on a treadmill — pacing furiously but getting nowhere — then, my friend, lend an ear.

"One of the most effective ways of getting off that treadmill is to expand your interests. One of the surest ways to start feeling that you're getting somewhere is to broaden the scope of your activities. An hour or two each week spent on a project aimed at improving your business and your community will give you a very real sense of accomplishment, a satisfaction in the knowledge of time well spent.

"Of course, you may be one of the fortunate people who knows exactly where he is going, and why, and how soon he'll get there. No treadmill for you. If that is the case your experience and leadership are needed. *Your* sense of accomplishment will be vastly increased, too.

"In either case, call your local Chamber of Commerce now, while you have your telephone within easy reach. You'll be taking a step in the right direction. You, your business and your community will benefit."



Pete Progress

Speaking for your
local Chamber of Commerce

GANGSTER INVASION

continued

the individual member of the union, so that corrupt individuals cannot take over and control the union.

We have suggested some legislation dealing with the placing of criminals and ex-convicts in positions of responsibility in unions.

Or the "no-man's land" where the National Labor Relations Board does not assume jurisdiction and the small businessman or small labor union has no place to go to get solutions for their problems. This jurisdictional loophole should be closed.

We have suggested legislation in those areas. Of course, there are obviously needs in further areas. The Committee has been concerned with the field of organizational picketing where it has been used improperly. We have considered problems in the field of so-called secondary boycotts, a difficult area. We have suggested no legislation along those lines as yet, but I am sure the Committee before the end of the year will have something to say about that.

I think we have uncovered, and our next report late in May will indicate, certain other areas where some legislation is needed.

Could you tell us about the Committee's future?

I think it will go out of existence this year.

First, we are limited as far as jurisdiction is concerned. We are investigating improper activities in the labor and management fields.

Second, we have uncovered the problems, but our main purpose is to suggest areas where legislation is necessary.

Do you expect legislation to pass this year?

Yes.

Have you discovered any evidence of crime and corruption outside the jurisdiction of your committee?

Certainly, but we can't go into the matter extensively. For instance, we can't go into organized gambling, prostitution or narcotics. That is outside our jurisdiction. We just happened to run into it when we were going into corruption in labor-management relations. So we can't make a full investigation of it, but we have exposed some situations.

Do you think a new committee

will be set up with broader jurisdiction?

Congressional committee? I don't think so. Some kind of independent crime commission should be set up under somebody like Senator McClellan. It should be a nonpolitical and nonpartisan operation. Something which would cooperate, but not interfere, with the Justice Department and the Federal Bureau of Investigation, with the latter having primary responsibilities. However, there are many problems to be considered in this connection.

Does Senator McClellan favor such a commission?

He has considered it and has had some discussions about it.

Might it be included in a committee recommendation later?

Yes.

How many days of hearings have you had and how many witnesses have you heard?

About 1,500 witnesses at 500 sessions.

What have been some of the results of your investigation?

In my estimation, the only lasting effect is going to be if we have some legislation dealing with these problems. I hope there will be legislation, but beyond that there have been some salutary effects in certain communities. Fifteen or 16 different union officials who have appeared before the committee have been convicted and sentenced to jail.

A number of public officials have been removed from office.

The AFL-CIO has taken major steps to deal with corruption within their organizations. They are really the only organization to do so.

The local officials who have been corrupted will be replaced with new corruption unless we get some laws.

Has the atmosphere or attitude concerning unions changed?

I think that is the second most important factor resulting from the hearings. I think we are far more realistic about the situation than we have been in the past.

Is the legislation being discussed sufficient to check the new surge in crime that you mentioned?

No. The problem goes beyond labor-management relations; it goes into the field of organized crime.

While it is imperative that we get legislation dealing with labor-management relations, we have found the problem goes beyond that. END

Reduce copying costs as much as 50% with Peerless QUICK SILVER... a completely new office photocopy process

Peerless Photo Products, Inc.
Shoreham, Long Island, New York

PEERLESS

Gentlemen:

Please send me more information about QUICK SILVER, the completely new office photocopy process which:

1 — makes single copies at only 5 cents each
2 — makes an unlimited number of copies from one negative
3 — makes all copies of equally good quality
4 — eliminates peel-apart and throw-away sheet
5 — is available as a combination unit or as a separate processor adaptable to your own copying machine
6 — has no copy limitations

NAME_____ TITLE_____

COMPANY_____

STREET_____

CITY_____ ZONE____ STATE_____

NB-5

CHAMBER PRESIDENT

continued from page 40

America has evolved a new kind of capitalism—one that has proved it can be responsible, progressive and liberal in the deepest sense of those words."

Mr. Canham believes the purely materialistic achievements of the American system have been too much emphasized. Often overlooked, he feels, are the spiritual values which both undergird and flow from the free way of life that this country has evolved.

"We have been our own worst salesmen, because we have convinced most of the rest of the world that we are money-mad. But the greatest fruits of our free system are spiritual. We need to talk more about the inherently liberating nature of a society built on voluntary organization—about the concept of service and stewardship that animates American business at its best—about the recognition of the essential dignity of man which is implicit in our striving for equality of opportunity."

Spiritual values have always had an important place in Mr. Canham's life. Although he does not flaunt his religion and talks about it only to those who are genuinely interested, it is clearly the mainspring of his profound dedication to the service of humanity.

Erwin Canham was born in the little town of Auburn, Me., on Feb. 13, 1904. His father, Vincent W. Canham, was a reporter for the Lewiston *Sun*, a small daily published in a nearby city. When Erwin was two, the family moved to a farm in Lisbon, Me., where Vincent Canham continued to work as a part-time correspondent for the Lewiston *Sun* while trying to plow a living out of the rocky New England soil.

Some of Erwin's earliest memories are of riding in a buggy with his father as he made the rounds of nearby villages gathering items for his newspaper. By the time he was eight, Erwin had begun his own journalistic career. Standing on a soapbox to reach the wall telephone, he would ring each of the village spinsters in turn to see what news they could contribute to his father's daily string of local items.

When he was 11, his father became the editor and publisher of a moribund country weekly at Sanford, Me., and Erwin was put to work after school.

"On Wednesday afternoons, I folded the inside four pages," he remembers. "On Thursday afternoons, I folded the outside four pages. Then I took the papers out on the street and tried to sell them."



Mr. Canham

By 13 he had learned to set type by hand, and a year later he became a full-fledged reporter. ("It was during World War I, and the men were all off in the Army," he explains.)

Mr. Canham's academic record should be a source of comfort and inspiration to all parents of slow-starting students. His high school grades were so undistinguished that he had to take four entrance examinations to get into Bates College. But something clicked in his freshman year at college. When the first semester grades were posted, Mr. Canham discovered to his amazement that he had straight A's. He kept up this pace until he graduated with a Phi Beta Kappa key.

It was at Bates that Mr. Canham got involved in what has become a sort of secondary career—public speaking. He went out for debating, an activity that enjoyed at Bates the prestige accorded to football at many other institutions. He was captain of the debating team during his senior year and led it on a highly successful trip to participate in debates with teams from seven British universities, including Oxford.

While in Britain, Mr. Canham received a cable from the *Christian Science Monitor* offering him a job as a reporter. He joined the *Monitor* staff immediately after graduation from college in June, 1925, starting at a salary of $50 a week. Moving to Boston, where the *Monitor* is published, he shared an apartment with another young *Monitor* reporter named Roscoe Drummond. Mr. Drummond, who became Washington columnist for the New York *Herald Tribune* a few years ago after an illustrious career with the *Monitor*, is still Mr. Canham's closest personal friend.

It was Mr. Drummond who gave him the nickname "Spike," which has clung to him ever since.

"Erwin was such a scholarly type that I thought he needed a nickname," Mr. Drummond recalls. "So I gave him the most incongruous one I could think of."

In 1926, after little more than a year with the *Monitor*, Mr. Canham applied for and received a Rhodes scholarship for graduate study at Oxford. The *Monitor*, ever devoted to erudition, gladly granted him a leave of absence, and he spent three years at the British university, studying modern history.

He returned to Boston in July, 1929, and was assigned to city desk reporting. The big news story of that year—the Wall Street crash—made little impression on him, however, because at that time he was in a romantic haze. He had fallen in love with Miss Thelma Hart, a dark-haired girl from Cape Cod who was working in the *Monitor's* statistical department, and whose best friend had recently become Mrs. Roscoe Drummond. Mr. Canham and Miss Hart were married in 1930 and soon afterward moved to Geneva, where Mr. Canham spent two years as the *Monitor* correspondent covering the League of Nations.

Not long before Franklin D. Roosevelt became President, Mr. Canham was called home to become chief of the *Monitor's* Washington bureau. He served seven years as a Washington correspondent, earning a reputation as an exceptionally hard-working and conscientious reporter and was made a member of the select Gridiron Club.

His rise to the *Monitor's* top editorial job was swift thereafter. He went to Boston as general news editor in 1939. In 1941 he became managing editor then the chief editorial executive position. In 1945 he received the title of editor.

On some major newspapers, the editor is primarily a front man who makes speeches, greets visitors, represents the newspaper in civic activities, perhaps writes an editorial once in a while. Mr. Canham does all of these things, but he also has direct charge of getting out the newspaper. His office is just off the corner of the big newsroom. Through it flow all the major decisions and many of the minor ones about the content and emphasis of each edition. Mr. Canham presides over the morning staff meetings at which space is allocated to various stories and assignments are made. He personally decides on the placement of front-page articles.

It is a continuing mystery to all of Mr. Canham's associates how he contrives to keep in such close touch with the daily operations of the *Monitor* and still do all of the things he does on the outside.

"He accomplishes more work with less visible effort than any human being I have ever known," Mr. Drummond said recently.

"I am continually amazed at him," said Miss Marguerite Barr, who has been his private secretary for 10 years. "He never gets harassed or irritable, even when he has a split-second schedule of conferences and appointments all day long."

Miss Barr, who is herself part of the explanation of Mr. Canham's efficiency, attributes his capacity for getting things done to two traits: the ability to make decisions quickly and a highly flexible mind which can shift from one problem to another almost instantaneously.

To keep Mr. Canham from meeting himself on the way out, Miss Barr keeps on his desk a long pink sheet listing his appointments, meetings and commitments for weeks ahead. It is constantly kept up to date so that Mr. Canham can answer without taking the telephone from his ear, "Yes, I can be there," or "No, I can't make it that day."

Some notion of how often Mr. Canham says yes can be gained by simply reading the *major* entries on the pink sheet for one recent week. On Monday, April 13, he attended a meeting in Washington of the United States Committee for the Atlantic Congress. On Tuesday, April 14, back in Boston, he participated in luncheon and dinner discussions as a member of the Board of Overseers' Visiting Committee to the Department of Philosophy at Harvard University. On Thursday, April 16, he moderated a panel discussion at New England's Annual World Trade Week held in Boston. That evening, he left for Paris and on April 17 and 18, as a rapporteur for the Committee on Cultural and Spiritual Affairs, participated in organizational discussions of the Atlantic Congress. On April 19, back in Boston, he taught his regular Sunday School class, moderated a local TV program called "Starring the Editors" in the afternoon and a nationwide radio program called "Erwin Canham and the News" over the ABC network in the evening.

Some awed *Monitor* staffers believe Mr. Canham has discovered a secret formula for going without sleep. But Mrs. Canham rejects this suggestion. She says her husband, for all his busy schedule, is a man of regular habits who sleeps from 11:15 to 7:15 virtually every night.

Mr. Canham himself is highly amused by all of this "how-does-he-do-it?" speculation.

"If I sat around playing bridge every night, no one would think anything of it," he says. "It just happens that I get more real refreshment out of meeting with a committee of interesting people to talk about a stimulating problem than out of playing cards. I honestly relax and enjoy practically all of these activities that are credited to me as 'work.' "

If Mr. Canham can be said to have a hobby other than attending meetings, it is reading. Both his office and his study at home are lined with books, ranging over the whole spectrum of human thought, most of them read and marked.

His office is on the second floor of a block-long building which resembles a Grecian temple more than a newspaper shop. It was built in 1932 to house the *Monitor* and other enterprises of the Christian Science Publishing Co. In keeping with a wish expressed by Mrs. Mary Baker Eddy, the founder of Christian Science, no smoking is permitted in the building. This rule does not bother Mr. Canham, who neither smokes nor drinks, but it has been known to unsettle visiting journalists who walk through the *Monitor* newsroom. They miss the thick haze of tobacco smoke that hangs over the usual newsroom.

Mr. Canham's study is on the top floor of a narrow brick house on one of the most charming streets in America. The official name is Acorn Street, but it has been nicknamed "Boston's elegant alley."

Just a block from Chestnut Street on Beacon Hill, it is a steeply ascending street paved with river

WARNING TO AMBITIOUS MEN

from The Wall Street Journal

The next five exciting years will be filled with opportunities and dangers.

Fortune will smile on some men. Disaster will dog the footsteps of others.

Because the reports in The Wall Street Journal come to you DAILY, you get the fastest possible warning of any new trend that may affect your business and your personal income. You get the facts in time to take whatever steps are needed to protect your interests, or to seize quickly a new profit-making opportunity.

If you think The Wall Street Journal is just for millionaires, you are WRONG! The Journal is a wonderful aid to salaried men making $7,500 to $25,000 a year. It is valuable to owners of small businesses. It can be of priceless benefit to ambitious young men who want to earn more money.

The Wall Street Journal is the complete business DAILY. Has largest staff of writers on business and finance. The only business paper served by all three big press associations. It costs $24 a year, but you can get a Trial Subscription for three months for $7. Just tear out this ad and attach check for $7 and mail. Or tell us to bill you. Address: The Wall Street Journal, 44 Broad St., New York 4, N. Y. NB-5

What is the ultimate cost of exterior building walls ?

$4.60 per sq. ft.

OR

$18.29 per sq. ft.

Sounds almost unbelievable—that the ultimate cost of one type of building wall would be only $4.60 per sq. ft. while the ultimate cost of another type wall could be as much as $18.29 per sq. ft. (even higher for tax exempt operations). Well it's true—especially when you consider all the hidden (but very real) costs, such as: heat loss affecting fuel costs; heat gain affecting air conditioning costs; reoccurring maintenance expenses; variations in insurance rates dependent upon wall construction.

Brick masonry walls are not only more economical to erect and maintain but they lend themselves to imaginative design, with permanent fade-proof colors.

Send for New COST ANALYSIS booklet

Before you make final decisions on your next building, send 25c for our new booklet, "Design to Save Dollars—a cost analysis for the man who spends money for buildings." Address Dept. NB-595.

STRUCTURAL CLAY PRODUCTS INSTITUTE
1520 18th Street, N. W., Washington 6, D. C.

Advertisers in this issue • May 1959

Page

Acco Products, Inc. 84
La Porte & Austin, Inc., New York

Aetna Casualty and Surety Company ... 45
William B. Remington, Inc., Springfield

Air Express, Division of Railway Express Agency 11
Burke Dowling Adams, Inc., New York

American Credit Indemnity Company .. 72
VanSant, Dugdale & Company, Inc., Baltimore

American Motors Corporation 25
Geyer, Morey, Madden & Ballard, Inc., New York

American Photocopy Equipment Company 77, 78, 79
Irving J. Rosenbloom & Associates, Inc., Chicago

American Telephone & Telegraph Company (LL) 115
N. W. Ayer & Son, Inc., Philadelphia

American Writing Paper Corporation .. 10
Fairfax, Inc., New York

Armco Drainage and Metal Products, Inc. 50
N. W. Ayer & Son, Inc., Philadelphia

Bay West Paper Company 100
Klau-Van Pietersom-Dunlap, Inc., Milwaukee

Best Values Company 106
A. H. P. Advertising Agency, Newark

Blue Cross-Blue Shield Commission ..66, 67
J. Walter Thompson Company, Chicago

Burroughs Corporation 49
Campbell-Ewald Company, Detroit

Butler Manufacturing Company 20
Aubrey, Finlay, Marley & Hodgson, Inc., Chicago

Chamber of Commerce of the U. S. 98, 99, 110
Direct

Chevrolet Motor Div.— General Motors Corporation ...2nd cover
Campbell-Ewald Company, Detroit

Comptometer Corporation 101
MacFarland, Aveyard & Company, Chicago

Diebold Incorporated 62
Ritter, Sanford, Price & Chalek, Inc., New York

Dodge, F. W., Corporation 89
G. M. Basford Company, New York

Dow, Jones & Company, Inc. 113
Batten, Barton, Durstine & Osborn, Inc., New York

DuPont, E. I., De Nemours & Company, (Inc.) 26
Batten, Barton, Durstine & Osborn, Inc., New York

Eastman Kodak Company 46, 47
J. Walter Thompson Company, New York

Executone, Inc. 12
Joseph Katz Company, New York

Exercycle Corporation 15
Wilbur and Ciangio, New York

Ford Motor Company, The 64, 65
J. Walter Thompson Company, Detroit

Frick Company, Inc. 109
Waynesboro Advertising Agency, Waynesboro

Friden, Inc. 85
J. Walter Thompson Company, San Francisco

Gamewell Company, The 105
James Thomas Chirurg Company, Boston

Gates Acoustinet 94
Claton A. Stahlka Counseling, Snyder

General Fireproofing Company, The ... 13
The Griswold-Eshleman Company, Cleveland

Hardware Mutuals 22
Roche, Rickerd & Cleary, Inc., Chicago

Harter Corporation 106
Lamport, Fox, Prell & Dolk, Inc., South Bend

Hilton Credit Corporation 17
N. W. Ayer & Son, Inc., Philadelphia

Insurance Company of North America 3rd cover
N. W. Ayer & Son, Inc., Philadelphia

International Business Machines Corp., Electric Typewriter Div. 4, 5
Benton & Bowles, Inc., New York

International Harvester Company, Inc., Farm Equipment Div. 51
Aubrey, Finlay, Marley & Hodgson, Inc., Chicago

International Harvester Company, Inc., Motor Truck Div. 18, 19
Young & Rubicam, Inc., Chicago

Iowa Development Commission 94
The L. W. Ramsey Advertising Agency, Davenport

Kentile, Inc. 80
Benton & Bowles, Inc., New York

Lennox Industries Inc. 61
Fulton, Morrissey Company, Chicago

Listo Pencil Corporation 100
Cunningham & Walsh, Inc., San Francisco

Mack Trucks, Inc. 54, 55
Doyle, Kitchen & McCormick, Inc.

Marchant Calculators Division of Smith-Corona Marchant, Inc. 63
Foote, Cone & Belding, San Francisco

Medford Products Company 100
Diener & Dorskind, Inc., New York

Monroe Calculating Machine Company, Inc. 30
L. H. Hartman Company, Inc., New York

Murray Hill House 106
Stanley Perkis, Advertising, Farmingdale

National Lighting Bureau 86
Geer, DuBois & Company, Inc., New York

National Truck Leasing System 88
W. S. Kirkland, Advertising, Chicago

National Wiring Bureau 87
Geer, DuBois & Company, Inc., New York

New York Life Insurance Company . 102, 103
Compton Advertising, Inc., New York

North American Philips Company (Dictating Equipment Div.) 57
Sam Groden, Incorporated, New York

Onan, D. W., & Sons, Inc. 21
Graves and Associates, Inc., Minneapolis

Peerless Photo Products, Inc. 111
John Mather Lupton Company, Inc., New York

Pinkerton's National Detective Agency, Inc. 14
Gray & Rogers, Philadelphia

Pitney-Bowes, Inc. 53, 81, 107
L. E. McGivena & Company, Inc., New York

Puerto Rico, Commonwealth of 6
Ogilvy, Benson & Mather, Inc., New York

Recordak Corporation 75
J. Walter Thompson Company, New York

Remington Rand Division of Sperry Rand Corporation 97
Gardner Advertising Company, New York

Rohr Aircraft Corporation 95
Barnes Chase Company, San Diego

Rucquoi, Leon G., & Associates, Inc. ..100
Direct

Stromberg-Carlson Company 109
The Rumrill Company, Inc., Rochester

Structural Clay Products Institute 113
Wildrick & Miller, Inc., New York

Surface Combustion Corporation 88
Beeson-Reichart, Inc., Toledo

Travelers Insurance Company, The 29
Young & Rubicam, Inc., New York

Tropical Paint Company 48
Fred M. Randall Company, Detroit

Underwood Corporation 73
William Esty Company, Inc., New York

Union Carbide Corporation 4th cover
J. M. Mathes, Inc., New York

Utah Power & Light Company 16
Gillham Advertising Agency, Salt Lake City

Wagner Electric Corporation 107
Arthur R. Mogge, Inc., St. Louis

Wellington Sears Company 96
Ellington & Company, Inc., New York

Western Electric Company 1
Cunningham & Walsh, Inc., New York

Western Union Telegraph Company, Inc. 71
Benton & Bowles, Inc., New York

Yawman & Erbe Manufacturing Company, Inc. 56
The Rumrill Company, Inc., Rochester

PRESIDENT

continued

stones and barely wide enough for a single car.

The Canham home, like most of the others on the street, was built in 1827. It has a kitchen and family dining room on the basement level, a parlor and formal dining room on the first floor, bedrooms on the second and third floors, and Mr. Canham's spacious study, on the fourth floor. A tiny elevator connects the various levels and also provides access to a roof garden which commands a fine view of Boston.

The study is beamed with thick handhewn logs of hackmatack wood, with ship's knees as supporting columns. In one corner is a desk with an electric portable typewriter on which Mr. Canham composes his speeches. In another corner is a grand piano on which he sometimes plays folk songs—driving the rest of the family to the basement.

Besides Mr. Canham, the household includes Mrs. Canham, a gracious even-tempered, intelligent and well informed woman who, fortunately, enjoys travel; and a strikingly pretty 16-year-old daughter, Betsy, a junior at Boston's Winsor School.

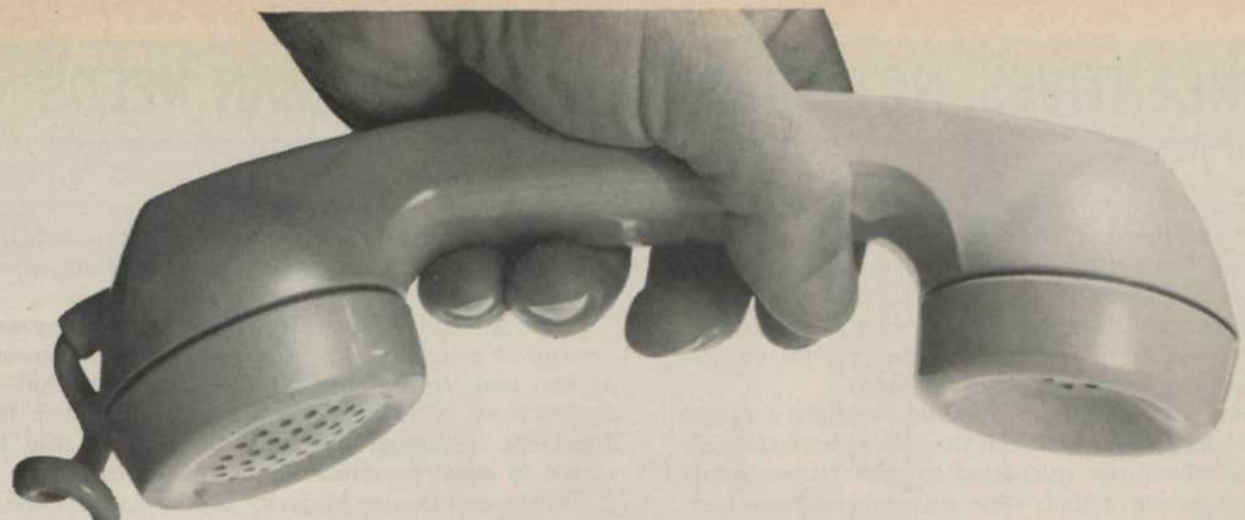
An older daughter, Mrs. R. Shale Paul, lives in Pittsburgh with her husband, a building contractor, and the Canham's two grandchildren, Lisa, 2, and Kenneth, 10 months.

Mr. Canham tries to muster the whole family each summer for a month's vacation at their house on Cape Cod which is Mrs. Canham's old family homestead built in the 1700's. This year, however, as a change of pace, he and Mrs. Canham are taking Betsy on her first trip to Europe.

Betsy should find her father an excellent guide. In addition to having lived five years in Europe, he has made 15 return trips over the years, the most recent last fall. He has visited the Far East four times, Africa once and has been completely around the world once.

Mrs. Canham recalls the trip to Africa as an occasion when Mr. Canham's relaxed attitude toward his incredible schedule reached some sort of zenith. He strolled into the house, after delivering a speech before some meeting in Boston, with exactly 30 minutes in which to pack and leave for the airport.

"He made it in 15 minutes," she said. "That was before the days of drip-dry clothes," said Mr. Canham with a grin. "I could do it in ten minutes now."—LOUIS CASSELS



PROFITABLE SALES TOOL

Long Distance starts earning money for you right away!

Just pick up the phone already on your desk and place calls to your out-of-town prospects. Tell them what you have to sell—answer their questions—ask for the order.

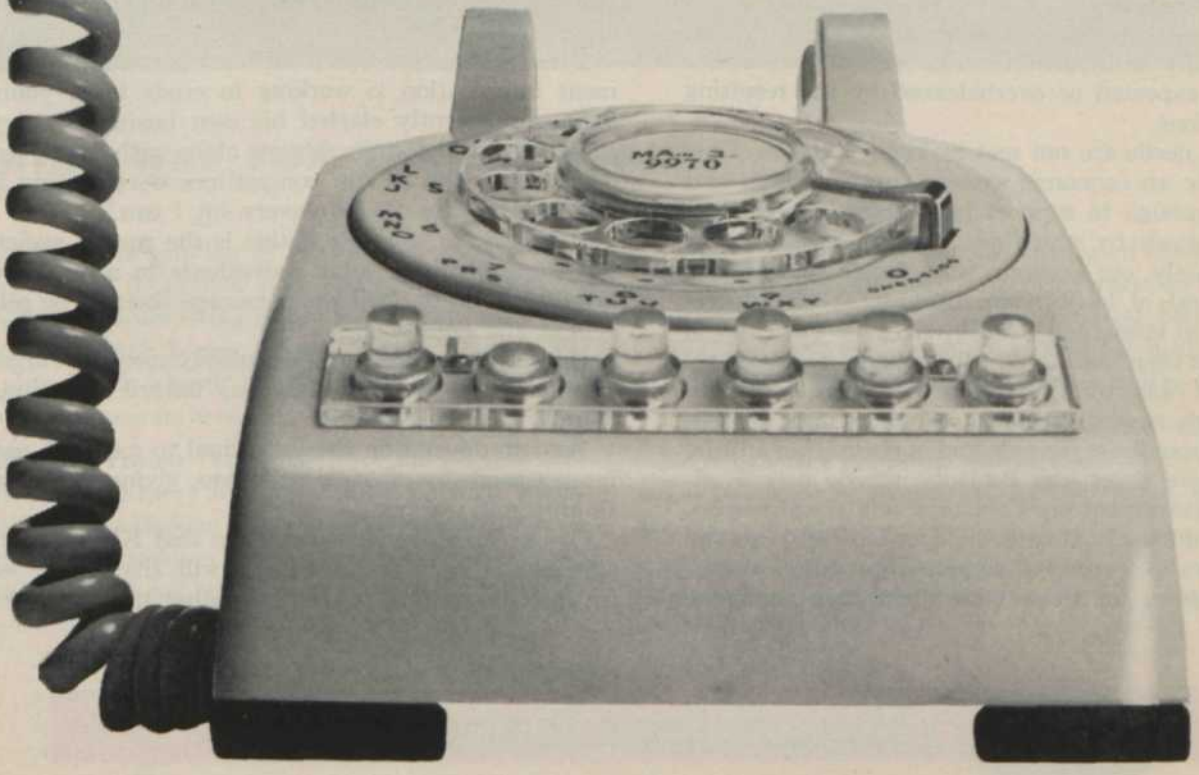
Or it can work the other way around. Let your out-of-town customers know they may call you *collect* whenever they're ready to order, and the sales seek *you.*

Either way, you get results at once.

A wholesale hardware company serving three states pasted "Call Collect" stickers on all outgoing invoices. One dealer, for example, called collect to place an order worth $1050.97. The call cost the wholesale hardware company only 95 cents!

BELL TELEPHONE SYSTEM

LONG DISTANCE PAYS OFF! USE IT NOW... FOR ALL IT'S WORTH!



INCENTIVES, NOT SUBSIDIES, MEET HUMAN NEEDS

THE DAY'S most costly question is:

"Don't you believe in meeting human needs?"

Only the wicked can answer no.

This permits those with schemes for spending government money to smear with a nasty stick anyone who dares to challenge their proposals.

So long as an ounce of emotion outweighs a pound of logic the government can thus be embarked on all sorts of adventures calculated to meet human needs that the people or their state governments have been unable or unwilling to meet.

Presumably the needs are genuine and urgent. Presumably the plans for meeting them are well intentioned.

The misfortune of our country—and of other benevolent countries before us—is that economic forces are not swayed by good intentions. The evidence of this is on clear view in dozens of places:

Thirty years ago the government undertook to meet the human needs of farmers. Today the farmers' needs are only slightly less but the government's problem is monumental.

Twenty years ago government attempted to legislate a balance of power between working men and employers. Today we have a labor despotism that dares threaten government officials who fail to carry out its orders.

More recently, in an effort to build up stockpiles while meeting the needs of a war economy, government artificially stimulated production of strategic metals at home and abroad. Today, with the stockpiles overflowing, we are using, among other things, quotas, tariffs, and subsidies in an effort to stabilize the metals industry.

Government dabbling in other economic fields has been equally disillusioning. The benefits are either less than expected or overbalanced by the resulting complications.

Human needs are not met by complications. They are met by an economic system strong enough and versatile enough to support jobs. Jobs, in turn, produce the goods by which needs are satisfied.

Fortunately, our economy as originally set up had a great deal of built-in equilibrium. It has always managed to straighten itself after every push to the left. It has been able to do this because it offered rewards and opportunity to those who were willing to work. Each new government effort to meet human needs reduces those rewards and opportunities a little.

Oppressive taxes and controls impede private effort. So government must shoulder additional responsibility, reducing further the field for individual action.

Subsidies to a group or community require, in fairness, subsidies for those with whom they compete. Eventually the subsidies become a right to which the beneficiaries are encouraged to believe themselves entitled.

When the Rural Electrification Administration was created 24 years ago it was authorized to lend money at two per cent interest to speed electrification of farms. Now, with farms 95 per cent electrified, the President has suggested that the interest rate be raised to equal government's borrowing cost.

This caused Senate Majority Leader Lyndon Johnson to urge the borrowers to "fight with beer bottles" if necessary to keep their advantages. House Speaker Sam Rayburn asked, "Why not a little subsidy for the millions who, until a few years ago, were the underprivileged?"

With equal logic we can "continue unemployment benefits to those who were recently unemployed," "sickness benefits to the recently ill," "depressed area aid to communities recently depressed," "educational benefits to the recently illiterate."

We can, and in truth are, building an increasing group that depends on government rather than ambition for advancement.

In Michigan and Pennsylvania, unemployment remains high though in those and nearby states jobs are available for skilled people. Employment agencies observe: "Unemployment benefits are very attractive."

Apparently they are less attractive in West Virginia. Cleveland M. Bailey of that state urges aid for depressed areas so that "100,000 unfortunate West Virginia boys can come home." The 100,000 left their native state to find employment. What Representative Bailey wants to stop is the spirit that kept this country from remaining a narrow band of states along the eastern seaboard.

Even where that spirit still exists today, government intervention is working to erode it. A young man who recently started his own business reports sadly, "I was determined to get along without government help—but all my competitors were getting it. Now I'm getting it, too—every bit I can."

It is time to consider if this is the sort of society we want. Shall we force individuals to accept government help, or shall we encourage them to be self-reliant and ambitious?

How Congress acts on the subsidy measures urged in this session can go a long way toward setting our course.

We can depend on the individual to meet his own human needs by offering incentives, giving him room to grow and prosper.

Or we can so conduct ourselves that Khrushchev's statement "your grandchildren will live under socialism" becomes a prediction, rather than a threat.



MAKING WAY FOR THE EXPLOSION

Our population is growing so fast that experts call it an 'explosion.' The 65 million more Americans expected by 1975 will mean lower living standards for everyone unless we produce enough homes, schools, hospitals, dams, airports, water supply, electric power—and a bold imaginative road-building program to accommodate this flood of people.

Caterpillar Tractor Co. is ready for the greatest construction era in history with its 'Project Paydirt,' a vast research and development program. The famous maker of the big yellow machines is meeting the challenge ahead with more efficient and bigger-capacity earthmoving equipment—the first step in construction.

For protection, this pioneer in equipment turned to the pioneer in insurance. INA provides Caterpillar Tractor Co. with insurance that includes world-wide blanket liability, workmen's compensation, automobile liability, fire and, for its subsidiary in Australia, ocean marine.

Your business, large or small, can get the same *extra value* in complete protection and personalized service that makes Insurance by North America better. Ask any INA agent or your broker.

Insurance Company of North America
Indemnity Insurance Company of North America
Life Insurance Company of North America · Philadelphia

INSURANCE BY NORTH AMERICA INA



Molecular model of ethylene oxide—one of the basic building blocks in Union Carbide's chemistry.

Helping to shape the future

Ever wonder what's behind the steady stream of new and better products we enjoy today? The answer is research by men and women with driving curiosity and bold imagination.

Synthetic chemicals created by the people of Union Carbide have helped make possible the latest wonder drugs, glamorous textiles, work-saving detergents, and fast-drying paints and lacquers. And in the ever-changing world of plastics, the work of Union Carbide scientists has helped bring you everything from scuff-resistant flooring and unbreakable phonograph records to transparent polyethylene wrapping that preserves the original flavor of foods.

These innovations are only a suggestion of the wonderful things that will come from tomorrow's research... the kind of research that's being carried out constantly in the laboratories of Union Carbide.

Learn about the exciting work going on now in carbons, chemicals, gases, metals, plastics, and nuclear energy. Write for "Products and Processes" Booklet B. Union Carbide Corporation, 30 East 42nd St., New York 17, N.Y. In Canada, Union Carbide Canada Limited, Toronto.

UNION CARBIDE

...a hand in things to come